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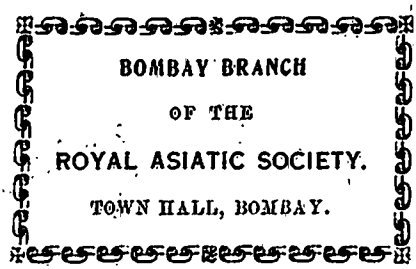

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OBSERVATIONS

UPON THE

TRANSIT & TOWN DUTY

SYSTEM

OF

THE BENGAL PRESIDENCY.

PRINTED BY ORDER OF GOVERNMENT.

CALCUTTA:

G. H. HUTTMANN, BENGAL MILITARY ORPHAN

1835

To

HIS EXCELLENCY

THE RIGHT HONORABLE

LORD WILLIAM CAVENDISH BENTINCK,

Governor General of India,

&c. &c. &c., and

Governor of the Presidency of Bengal.

(CUSTOMS)

MY LORD,

With reference to Mr. Secretary Prinsep's letter of the 23d June, and to our communication of the 7th July last, we have now the honor to submit our remarks on Mr. Trevelyan's Report upon the inland customs and town duties of the Bengal Presidency,

2. The Report in question places before government opinions and propositions indicative at once of the most equitable views and the most philanthropic anxiety for the welfare of this great empire. It does credit alike to Mr. Trevelyan's zeal and to his humanity, but it is so varied and desultory that we could find no better means of offering our observations upon it than those which we have been obliged to adopt; viz. examining each remark and proposition of the Report seriatim, and separately, and connecting our paper of observations with those observations in the Report, to which they advert, by corresponding red letters —a process which we hope will render the whole sufficiently intelligible to Government.

3. Our remarks in the separate paper are so full that we have not many to offer in this address. We may venture however to recapitulate our sentiments on a few special points which are discussed more comprehensively in our notes upon the Report.

4. From those notes our impressions will be gathered to the following effect; viz. That whatever amount of evils the transit duties impose upon the country, and doubtless it is considerable, those evils are greatly, though of course unintentionally, magnified in Mr. Trevelyan's Report.

That our system, though defective, is à great improvement on any customs system which prevailed prior to the enactment of Regulation IX. of 1810, and on the whole, less burthensome to the country instead of being, as asserted in the Report, more oppressive and vexatious.

That the greater portion of the evils which really do attach to our present system, and which are quite enough in themselves without being at all exaggerated, are attributable to the violation, *particularly in the Western Provinces,** of the letter and spirit of our custom laws. That abuses in short, to which the law is altogether opposed, are quoted to shew, that the law is faulty, and cannot work well.

That we are doubtful whether the abuses, apparently inseparable from any system of customs in India, will not, if Mr. Trevelyan's opinions be acted upon, extend over a larger tract of country, and be vexatious to a larger amount of population, than are now subjected to annoyance by our inland customs system, or we should rather say than *would* be subjected to annoyance, if our system was properly acted upon and carried into effect, instead of being misunderstood and imperfectly administered by the European functionaries.

5. Much annoyance to the public, much inconvenience doubtless is involved in the administration of our Bengal customs system, as in the administration of all existing custom systems.

* We do not dispute that this may have been forced upon the authorities by local circumstances, and in that case, as Mr. Trevelyan observes, the same customs law is not suited to the two divisions of the empire.

Still we see great reason to believe that ill as it may have worked, it has not operated with that paralyzing influence on the national prosperity, which the whole tenor of Mr. Trevelyan's Report would appear to aim at establishing. "Under present circumstances," observes the Report, "a general tendency exists towards "that barbarous state of things in which every body is obliged to "produce and manufacture every thing he requires for his own "consumption." The answer to this is a simple one, it presents itself in the official returns of the value of inland commerce.* From 1809-10 to 1830-31 both years inclusive.

1809-10,	Sa. Rs.	2,34,56,021
11,		2,65,37,467
12,		2,60,54,270
13,		2,79,12,927
14,		2,55,58,140
15,		3,20,41,052
16,		3,94,97,395
17,		4,88,00,247
18,		4,68,39,772
19,		3,96,97,156
20,		5,32,25,995
21,		4,61,17,184
22,		5,03,69,131
23,		4,77,44,945
24,		4,05,02,575
25,		5,42,32,271
26,		5,80,94,212
27,		5,13,54,443
28,		5,39,90,284
29,		5,33,29,946
30,		5,18,95,142
31,		5,23,33,470

* Of course that portion only which passes through our custom houses will be understood. It is fair to infer that the great commerce of the country, that which never approaches the limit of a custom house jurisdiction, has kept pace with that which is registered.

6. Now the above is the value only of the private trade, and does not include the value of the investment which was provided annually for the Hon'ble Company; neither does it include the value of salt, tobacco, and cotton—all of which pay duty on weight not on value. Moreover the value of all such articles as are not liable to transit duty, but which also form part of the inland trade of the country, has been necessarily omitted, such as the following:—

Lac Dye,
Ghee,
Turmeric,
Coal,
Grain,
Pulse,
Indigo Seed,
Wrought Brass and Copper,
Beads, Malas and Rozaries,
Canvas,
Cordage,
Coir,
Carriages and Palankeens,
Household Furniture,
Pearls and precious Stones,
Jewellery,

and an immense number of other unenumerated articles, in all of which the commerce of the country has probably increased as the general commerce has increased. This increase is assumed from official returns. They may be correct, or they may be incorrect; at all events we have no better information; it is the same as that resorted to by Mr. Trevelyan in the composition of his Report, and it shews that the value of the inland trade has increased, since the date of the existing custom regulation 1809-10, from two crores and thirty-four and a half lacs of rupees, to five crores and eighty lacs and ninety thousand rupees in

1825-26. It has fallen since that period* as low as five crores and thirteen and a half lacs of rupees, being rather more than double the value of the inland trade in 1809-10, but certainly not from any increased obstacles presented by our inland transit duty system, which has, if any thing, been relaxed since that period. Now this value of the inland commerce is, as before remarked, the value of that alone which came under duties, and is certainly any thing rather than confirmative of the declaration in the Report, that "a general tendency has been created by "our internal customs system towards that barbarous state of "things in which every body is obliged to produce every thing "he requires for his own consumption." A tendency, which could scarcely have failed, in the lapse of nearly *thirty years*, to have shewn itself rather decidedly through the diminished value of the inland commerce.

7. But it may be observed, the inland commerce would have been still greater, had those vexations and interruptions, which impede it in the shape of duties and chokeys, not existed. This is a mere matter of certainty, the only question being, can the revenue be dispensed with, without causing greater mischiefs to the people at large than attend its collection? If the reply be in the negative, then arises another matter for consideration— "can the amount be levied with less of vexation to the public"? This latter point deserves of course the most serious, the most profound, and the most conscientious enquiry.

8. Government will gather, from the whole tenor of our remarks upon Mr. Trevelyan's Report, our impression, that under any circumstances, our customs system demands a thorough revision. The rates of duties especially, require to be reconsidered. In many instances they are indisputably too high upon sea imports, in others, the inland transit duty upon articles which are likewise imported by sea, is such as to place all competition between the home made and imported article, even

* In 1826-27.

presuming their qualities to be equal, entirely out of the question. Other articles again, now free, or very lightly taxed, might be found susceptible of contributing to the public resources, without injury to the particular branch of trade which brings them into the market.

9. The great inequalities, indeed, noticed in the Report, between the inland duties, and the import duties on British goods, are real and crying evils—but the inequality was forced upon this government by the British legislature, for the principle which guided the finance committee, (by whom the existing inland duties were adjusted in 1809-10,) was to fix those duties generally lower than the duties on European goods, including of course British goods: accordingly the rate of the *inland* duty was fixed generally, or with few exceptions at 7½ per cent., while the *import* duty on European goods imported on *British* bottoms was fixed at 10 per cent.; and 20 per cent. on the importations on *Foreign* bottoms. It is assumed in the Report that the Indian government ought, on the opening of the trade in 1813, to have reduced the inland transit duty to the same rates as were then authorized to be charged on articles from Great Britain. There can be no doubt of this, but now when it appears that the law leaves another mode* of adjustment optional, there can be no good reason why a general re-arrangement of both the sea and inland duties should not take place, keeping in view that the levy of the duties is not for protection but for revenue, and consequently affixing to each commodity, the highest rate that it can afford to pay, without encouraging illicit transactions.—Such a revision, would no doubt, involve the reduction of the duty on many articles on which it is now too high. It might be attended with a corresponding increase on others, while many articles which are found to be not at all productive, might be omitted altogether in a new tariff: but this is a subject of enormous magnitude, involving all the best

* No provision as to the rate of duty leviable on the sea-borne commerce appears in the new Bill.

interests of the country, and it seems preposterous to suppose that any justice can be done to it by following the old routine of calling upon an individual officer or two; or a secretary to Government, or a board, to make a regulation. The Imperial Parliament of Great Britain or the Senate and Representatives of the United States; the elite of the two most commercial countries in the world, would approach such a subject with diffidence and apprehension—yet here, judging from experience, an individual or two, harassed with the current duties of their offices, and frequently engaged in a constant struggle to keep those from accumulating beyond all controul, are thought competent to deal with subjects which would task the utmost wisdom of the wisest amongst whole nations, aided by all the information which self-interest or public spirit can elicit from the most educated and intelligent mercantile communities in the world.

10. We have of course in this country no substitute, none whatever, for means which are after all too frequently found inadequate in other countries to the end proposed; but still we think that even here a custom law, or any radical change in the customs system, should neither be left to be framed by an individual, however accomplished, or by a board however zealous. Our persuasion is that a committee, consisting of servants of Government in the customs department, or familiar with the system, and of the principal European and Native merchants, ought to be formed the merchants being invited to assist for their own and the general good. That the committee should consist of twenty or thirty, or even a greater number of members, that all points should be discussed *viva voce* at periodical meetings,* and disposed of by a majority of votes, the result merely being recorded without the cumbrous, and complicated, and embarrassing array of notes and minutes, and counter-minutes, which clog and complicate the whole machinery of Indian government. That the starting point should be the amount of revenue now available through the medium of

* Say twice a week of one hour each.

the customs duties,* and the matter for discussion, how that amount can be realized with the smallest possible degree of interference with trade, or vexation to the payers. Such a revenue and so raised with reference to present times, would naturally expand in proportion to the increase in trade and the greater prosperity of the country. The project of the law being framed, might be submitted in due course to the Legislative Council, and there receive such further consideration and amendments as might appear necessary.

11. We have suggested *viva voce* discussions and decisions by vote, for we are quite persuaded that nearly all former attempts to obtain the aid of the mercantile community, and persons out of the service, have failed, because they have been required to offer their opinions on voluminous documents, and with respect to complicated subjects, in writing. Nearly every man in this country has already such ample occupation for his pen that he views with considerable aversion any additional call for its use, unless his livelihood or his success in life actually depends upon it. We have constantly put queries to the mercantile community on points in which it was reasonably to be supposed they were sufficiently interested to furnish written answers; in nine cases out of ten our expectations on this head have been disappointed. But when we have met any of the parties personally, and have adverted to the matter of our written communication, we have found no difficulty in obtaining such full opinions as evinced a familiar knowledge of the subject, and shewed that our requisition, or advice, had been well considered though the parties had not the time or the inclination to reduce their ideas to writing.

12. In the 15th page of Mr. Trevelyan's Report he makes the following observation. He is speaking of certain forms required to be observed by our customs system. "Whatever form his

* Say the highest amount of revenue raised since the passing of Regulation IX. of 1810.

"(the merchants) business may assume, this restriction, pur-
"sues him with the obligation of preserving a perfect identity
"between the goods and the rowannah, although the custom
"house may be fifty or an hundred miles off, and the collector
"out in the district making settlements, or engaged in other
"business much more interesting to him than signing rowan-
"nahs. Is it not deplorable that the despatch of mercantile
"business throughout the country should be made dependant
"upon such contingencies?"

13. On the above passage we beg to remark that it is scarcely fair to charge this as an objection to the inland transit duty system. That system, contemplated no customs jurisdiction extending a hundred miles. Moreover, it *did* distinctly contemplate separate officers as collectors of Government customs; and we entirely agree in the regret expressed by Mr. Trevelyan, that the attention of officers in charge of custom houses, should ever be distracted by other avocations from duties, perhaps as essential as any in the whole range of the public service, to the welfare of the country and of the state. We hear few complaints of delays* or vexations in Calcutta, because the collector is always at hand, and his time and experience is devoted exclusively to the duties of an appointment, the public importance of which he justly estimates. The chief magistrate of Calcutta and Captain Steel mentioned it as a fact worthy of observation, that of all the affrays and disputes which come before the police, not one in their experience had ever apparently originated in a contention with the customs department through the operations of the customs system. The reason is sufficiently obvious: an appeal can be made in half an hour to the collector, and the appellant has no chance of finding that functionary engaged in more interesting business, or of learning that he is "out in the district making settlements." No two things could be devised

* That is to say needless delays thrown in the way of traders by native officers on purpose to extort money. There are complaints enough of the forms which are, after all, probably not much more objectionable than any other custom house forms.

so sure of rendering an inland customs system, even one unobjectionable in itself, (if such a thing can be imagined) altogether an intolerable vexation and burthen to the country, as extending chokeys unnecessarily with undefined limits, and giving the collectors of customs any occupation which could interfere with, or afford them a pretext for the neglect of the dry and troublesome, but important duties, belonging to those appointments.

14. Indeed we fear it to be beyond a doubt that much of the evil and vexation really chargeable to the inland customs system has proceeded from its inefficient administration, or rather from the impossibility of officers doing justice to it, whose attention is distracted by duties *apparently* more important and certainly more pressing. It is but recently we have had to bring to the notice of Government an instance in which a collector of customs and land revenue, was appointed a magistrate, the cutcherry of the magistracy being about nine miles from the custom house.* It is scarcely requisite to point out that many of the evils charged against the system must inevitably arise from arrangements of the above description—a man will put up with much vexation before he will proceed nine miles to lodge a complaint.

15. Many instances of detention of boats, delays in carrying through the forms of office, vexatious enforcements of the letter of the law, and assumptions of power by the chokey officers are detailed, or shewn to be probable, by Mr. Trevelyan's report. We have noticed them as they are instanced in the report, but we may be permitted to say that we doubt whether these things would be of common occurrence if custom collectors were, as they ought to be, close to their chokeys and not distracted from the duties of their custom houses by others more interesting as well as holding out greater prospects of honor and advance-

* It was not possible to bring them together, the one being precisely the spot where the magistrate's cutcherry was most necessary, and the other the spot where the customs cutcherry was indispensable for the convenience of traders.

ment. It would indeed make some confusion, even in England, if the head of the Bristol customs house lived at Cheltenham, and it may reasonably be doubted, if under such circumstances the subordinate officers would either be very abstinent in the use of authority or very honest.

16. The report complains, and no doubt justly of the detention of goods involved by the chokey system. Now the period of detention of goods for examination is under our transit duty system, prescribed by law, but if an aggrieved person is to seek a collector at the distance of a hundred miles, or even nine miles from the ghaut where his boat is detained, there is certainly no limit to which the chokey officers may not carry their vexations. Still it is hardly just to ascribe these evils to our system, the state of things which leaves large openings for such abuses, is one in direct opposition to the letter and the spirit of the customs law, and indisputably they are to be remedied at the mere will of the supreme authority.—With their disappearance much that is now objectionable in the inland transit duties would also disappear, though much, too much, would remain that is inherent in and inseparable from a tax of the nature of those duties.

17. Throughout the report the rapacity and extortionate dispositions of our native custom house officers is strongly, and we fear often with too much justice, insisted upon. This grave objection however, as far as it is applicable to the customs, is we greatly apprehend nearly as applicable to the whole system of native agency, or to speak more correctly, *subordinate* native agency, in our Anglo-Indian Government. Where is the native officer of low grade who is not an extortioner in his degree, whether he be employed in the police, the land revenue, the customs, the salt, or the opium department? But will any one who has read ten pages of Indian history, or who has ever spoken for half an hour with an intelligent native, assert that this frightful state of things has arisen with, or is attributable to our inland transit duty system, or to any other portion of the British system of government.

18. "From one extremity of the empire to the other," observes the report, "the case is exactly the same. The same "causes are every where in operation, and corruption is the "necessary fruit of a totally inadequate salary, combined with "excessive temptation. No person disposed to be honest, would "accept of a situation of this kind—(a situation in the customs "department.) In his report, dated the 31st of July 1832, "Mr. Fraser, the commissioner of Delhi, states as follows: A "single man placed to watch at fords or ferries is nearly as great "a nuisance as posts with writers. Putting men at fords and "ferries on the Jumna, in this way is making their fortunes at "the expence of the revenue. The situation of ghat peon in "the Meerut division to my knowledge used formerly to sell for "three hundred rupees."

19. We greatly fear that the whole of this argument is applicable with equal force to every description of subordinate native functionary, and not to the custom house officers alone—nor does it strike us that the remedy generally proposed will either be so easy of application, or so certain in its effect as appears to be imagined. There was we believe no want of high authorized emolument amongst the great officers of the Mogul empire, or those of the Mahratta sovereignties—yet in the whole history of the world, it is impossible to discover more flagrant instances of cupidity, oppression, and rapacity, than those they appear to have been in the daily practice of as mere matters of course. It is we think most doubtful, whether any amount of salary would restrain people so wholly devoid of what we understand by the word honor, (as the natives of India, speaking generally) and so entirely independent of public opinion; which last indeed may point to extortion, or the receipt of bribes as vexatious to the sufferers, but not as at all reflecting on the character of the individual, by whom they are practised—until therefore, the moral feelings of the natives and their habits of thought are greatly changed, until in short a man is afraid of losing his place for dishonest or oppressive conduct, not merely because his dismissal would entail pecuniary loss, but because it would also

disgrace him in public opinion ; we cannot but feel apprehensive, that no reasonable, no fair, or equitable amount of remuneration, would have the effect contemplated by the Report. This it may be said requires to be put to the proof, but we submit that it is already proved by the history of India, by that of all Asia, and by that of those countries in Europe, where public opinion is not influential, and where governments attempt to supply the insufferable penalties which it inflicts by legal prohibitions and punishments.

20. At page 40 of the Report, Mr. Trevelyan affirms that "when the traveller is so unfortunate as to have in his posses-"sion the *smallest quantity* of any dutiable article, the demands "upon him are increased, for the chokey officer well knows the "*legal powers* of detention which he possesses for the purpose "of laying the case before the European custom master." There is much of error in the above assumption, which if founded on fact would be a very serious charge against our inland transit duty system. The chokey officer has no "*legal powers*" of detention in such cases—an ample allowance is made for the use and convenience of individuals, by an order of Government dated 21st August 1821. Under this resolution, the quantity of new articles which may be in possession of every individual without liability to question is defined. The restrictions are far from narrow, when any article likely to be in the possession of an individual for his own use, and not as merchandize, is in question. Ten seers of sugar candy, 20 seers of jaggry, 20 seers of oil seeds, 5 rupees worth of piece goods, 10 seers of grain, 10 seers of ghee, 1 maund of fire-wood, &c. are surely no stinted allowances for native travellers, during their mere transit across a chokey, i. e. the limit of a chokey or customs jurisdiction as that is contemplated by Law—Still perhaps it would have been better to leave the quantities undefined as in Section XIV. Regulation IX. of 1810.—But it may be observed the chokey officers will pay no regard to the Regulation or to the order of Government; That although they see the party has nothing which he is not justified in carrying about unquestioned they will not the

more on that account let him pass. Here no doubt is the crying evil of the customs system. It is the evil which benumbs and cankers the whole system of our Indian administration; it is the irremediable evil of the people not helping Government in its efforts for the general good. When the people will not assist the laws, any idea that the power of all the Governments on earth could effectually enforce them, must be an illusion. Can it for a moment be doubted that similar extortions would be practised by the custom house officers both in England and America if the people would submit to them? Can it be denied that such abuses are most prevalent in those very Governments where it might be supposed that the unlimited power of the executive, presuming it to be exerted honestly and with a view to the general good, would prove an insurmountable barrier to their existence? But no vigor, no authority in the executive can supply that mighty power which the laws possess when, and *only* when, they are understood and maintained by each individual in his own person. Without this the most excellent code is but so much waste paper, and the power of any Government for good, whatever it may be for evil, is as the force of an infant, compared with the force of a great steam engine. Then, it may be urged, why continue the inland customs system which affords an opening for such abuses? We fear that the same question might be asked with respect to every other branch of the system under which the public revenue of the country is realized, as well as with respect to the administration of justice, and the system of police. It is a question which may have been asked in this country for the past five hundred years, and invariably replied to as it must be now. "We have no option between this state of things bad as it is, "and a total disorganization of the whole frame of society "involving even greater evils." This mournful reply must continue to be as true as it is afflicting to all well wishers to the country, until the people learn the mighty secret that neither the prompt and bloody penalties enforced by the Mogul sabre in the hands of their old masters, nor the benevolent views, nor the paper denunciations against evil doers of a more enlightened rule, can preserve them from the vexations and oppressions of

the petty satellites of the State unless they help themselves. From the moment they feel the meaning of the celebrated apothegm "aide toi et le ciel t'ai dera," the Government of the day need give itself very little trouble concerning the vexations of the inland transit duty systems or those of any other system, which are now rendered oppressive and pernicious in practice, unobjectionable as they may be in intention, simply by the foolish submission of the people to the proceedings, however arbitrary or illegal of the most petty native officer—their own countryman, a being neither wiser, or braver, or stronger, than themselves. In the mean time however it is doubtless our obvious duty to decrease those evils to the very utmost of our power.

21. For our own parts we cannot avoid an impression that simply carrying into effect the intent of the customs law, or, as we have before observed, the mere restoration of a customs collector to the undisturbed performance of his proper duties* would do much, very much, towards the promotion of the desirable object. Mr. Trevelyan observes: "It must be acknowledged, that since the separate appointment of custom master "was abolished at the recommendation of the Finance committee, "and its duties were added to those which were already attached "to the joint office of collector and magistrate, the department "has fallen into greater neglect than ever. Where the duties "imposed are so totally out of proportion to the ordinary capacity "of human exertion, as they are in this instance, *whatever happens to be least interesting or of least pressing importance must "be neglected.* No department of Government can flourish which "is regarded in a secondary and subordinate light, yet such has "always been the case with the customs. In order to provide "for the due realization of the revenue, and to secure a proper "degree of attention to the mercantile interest, a separate set of "collectors must be employed in this department."

We cordially agree in every word of the preceding remarks. The duties of a collector of customs are no less unpleasant than

* United with bringing the chokeys within the regulation distance of the cutcherry.

burthensome and vexatious, and where is the motive to incur all the trouble and odium they impose while an officer has other emergent duties to plead as an excuse to the State, and perhaps to himself? Those last duties too being of a nature deeply interesting in themselves, while their efficient performance leads both to honor and promotion. We repeat our apprehension that very many of the evils of the customs system have originated in the great error of under-estimating the importance of its being properly and diligently administered, both to the welfare of the country and to the revenue of the state.

22. As we have already observed, we cannot find in any part of the Report, a comprehensive account of the scheme which is to replace our present inland customs system, or any references, beyond general ones, with respect to those matters of detail in which, and not in a great general principle, lie the evil or the good of a customs system. Indeed it rather appears to us that Mr. Trevelyan sometimes wavers in the course of his observations with respect to his own views. The power of search is undeniably the root of all the evils of the present system, yet search is to continue a portion of the new one—a great revenue is to be raised principally upon certain staples, yet many of the staples are to be relieved from all duty—The drawback is to be abolished, yet frontier duties are to be paid, which, without the aid of the drawback system, will place the articles produced in Bundlecund and the articles produced in Behar on a different footing at the time of exportation by sea.* Rowannahs are denounced as evils, yet Rowannahs are to be continued, again the duties on Export by sea are calculated as a great asset throughout the principal portions of the Report, yet towards the conclusion it appears to be in contemplation to relinquish them altogether.

* In other words the article produced in Bundlecund will have paid a duty which it cannot get back on exportation by sea, while the article produced in Behar will have paid no duty, and have none to pay on exportation by sea—take the article cotton for instance, exported to England, or tobacco, indeed nearly every article, unless the duties leviable on the western frontier be reduced to an equality with those leviable (and now retained) on exportation by sea—but in that case what becomes of the revenue taken credit for in the report?

23. The great features of the whole proposition, however, as your Lordship is aware, may be said to be these, viz. To collect the entire amount of customs duties on two lines—one, the sea line, or at Calcutta, Chittagong and Balasore, and the other a line nearly following the course of the Jumna and Ganges from the entrance of the former into the plains to a certain distance below Mirzapore.

24. We have offered observations in detail on the probable financial and other results of the above propositions in our paper of remarks. We shall recapitulate some of them here, and first with respect to levying the entire amount of inland transit duties on the projected western frontier line.

25. Having at page 81 and other parts of the report stated his views with respect to the establishment of his contemplated frontier line "from Badshah Mahal where the Jumna leaves the "Hills to a point a little below Mirzapore, where the western "jungle tract commences," Mr. Trevelyan proceeds as follows: "Having thus established the frontier line of chokeys, it may be "enacted that the preventive limits shall be considered to ex- "tend four miles on either side of it, and that all goods subject "to duty must be accompanied by legal rowannahs, while they "are in transit through this space. It may also be enacted, that "it shall be the *duty* of the merchant,' on crossing the line of "chokeys, to take his rowannah to the nearest chokey* to be "endorsed. The penalty for the breach of either of these rules "should be the confiscation of the goods. *An exception must be "made in favor of goods which only pass from place to place "within the preventive limits on either side of the line of cho- "keys.*"

26. Here then is an ample opening (though Mr. Trevelyan attempts to provide against it by an impracticable exception)

* This is prescribing the routes which trade is to follow, a practice rather severely animadverted upon in another part of the Report—taking the rowannahs without taking the goods, for comparison, would of course, be wholly useless.

for all the evils charged against the present system where it is most oppressive; but with this addition that those evils will probably be extended over a much greater number of square miles than they are now said to infest. Here is a line proposed, say six or seven hundred miles in length and either eight or twenty miles broad, equal say to fourteen thousand square miles of territory.* Mr. Trevelyan says, that all goods subject to duty must be accompanied by legal rowannahs while in transit through this space under penalty of confiscation, and further on he observes, that an exception must be made in favor of goods, which only pass from place to place within the preventive limits on either side of the line of chokeys. Now we are compelled to maintain that no goods whatever, especially no dutiable goods, can be allowed to pass unquestioned within these preventive limits of fourteen thousand, or at the least five thousand six hundred, square miles of territory, or the whole revenue contemplated from Mr. Trevelyan's scheme is placed in jeopardy. For instance we will suppose that goods liable to duty under the new scheme are met with in the belt or preventive line. The question is put, "Why are these goods, liable as they are "to duty, without rowannahs?" The reply is a very simple one. They have not been brought across the western frontier line—they are not going across the eastern frontier line. *They are only passing from place to place within the preventive limits.* Assuredly either this excuse must be admitted, or there must be a rigid prohibition against *any article liable to duty* being moved *in any direction* within the protective territory without being covered by a pass. Now let it be considered that in this very territory owing to a natural cause; viz. its following the course of the two principal navigable rivers in the Empire, lie more great cities and populous towns and villages than probably in any similar extent of country throughout India, and

* Twenty miles is for salt—for ordinary goods a line of eight miles broad is proposed, but every thing in transit within the belt of twenty miles must be examined in order to determine whether it is salt or not. At all events on the narrowest calculation five thousand six hundred square miles of country will suffer under the full evils of the present system to whatever extent they may exist.

then let the system of passes for every dutiable article, before it can be moved from one village to the next, or to the next town, or to the next city, be reflected upon for a single moment. Here indeed would be in full operation, over an extent of country equal to a considerable kingdom, those evils which, in Bengal at least, are confined to the vicinity of custom houses. Yet, relinquish the check, and trace the probable result of such a relinquishment. The smuggler in the course of half an hour runs his whole adventure of dutiable goods into a place of safety—for if met by the patrolling officers *within* the eight miles of boundary territory, the goods will of *course*, be moving from place to place within that limit. The next part of the process is merely to watch a favorable opportunity to run the goods through a single line of chokeys planted along a distance of seven hundred miles. If afterwards the smuggler is met or questioned he is of *course* only moving his goods from place to place within the preventive limits, and so he moves them to the verge of those limits and takes his final opportunity, not very difficult to find, to move them beyond that verge, and then they are liable to no further risk.

27. We confess we perceive no method by which the process in question can be guarded against, except by prohibiting the moving of any goods whatever liable to duty within the boundary territory, unless they are previously covered by rowannahs or other protective papers—and this, as we have already observed, would, considering the extent of the boundary territory, surely be any thing rather than *decreasing* the evils of our customs system.

28. But, says Mr. Trevelyan, "after the tariff has been "revised, the demand for duty will be confined to a much smaller "number of goods than is the case at present." On this we have to offer two remarks.

* A rowannah or pass to accompany all dutiable goods, although they are only moving from place to place within the belt.

First, (and this it is particularly requisite to bear in mind,) *That so long as one article is liable to a customs duty, every despatch of goods, every hackery, every bullock load, must be examined at existing chokeys or custom houses, or by patrols, to determine whether it is or is not that one—or whether that one dutiable article, may not be concealed amongst other articles which are not liable to duty.*

Secondly. A vast deduction, at least so it appears to us, must be made from the amount of revenue carried to the credit of the proposed customs scheme, if the number of articles on which duty is leviable be materially reduced. There is in favor of Mr. Trevelyan's report a net customs revenue of sicca rupees 3,5,12,759-13, but this amount is calculated as obtainable from duties on the entire number of articles now liable to the customs impost at the present rates of that impost—surely the author of the Report does not mean that the same amount could be realized if the number of articles liable to customs duty was materially reduced. If the same amount could *not* be realized, *then* all the calculations in the Report must be corrected, and the correction cannot fail to tell greatly against the revenue results assumed in favor of the proposed scheme.

29. Your Lordship will gather from the tenor of our remarks in the separate paper, that even admitting a single line on the Jumna and Ganges to be an improvement, in as much as it might involve fewer vexations to the trader and public at large than the present inland system—admitting this, we repeat, which nevertheless we have shewn there is great reason to doubt, we are still very apprehensive of its efficiency for the prevention of smuggling, especially in salt,—We confess we could feel little or no confidence in the inviolability of such a cordon where the officers principally charged with its protection are to be darogahs of 30 and 50 rupees per mensem, and where a break in one part of the line would be a certain fortune to the individual who might connive at it. Our only hope for the revenue, with ill paid and dishonest officers, rests on line within line of chokeys or one

custom house beyond another on the same route, so that it shall be a more expensive process for the trader to bribe his way through so many cordons than to pay the duties. Upon this principle we have offered ample remarks in the separate paper, whether its maintenance is worth the evils which it necessarily involves (especially as appears from the whole tenor of Mr. Trevelyan's report in the Western provinces,) is fairly open to question.

30. The irregular course sketched in the Report as the line on which chokeys are under the proposed new system to be planted, makes that line much longer than we had at first supposed it would be. We should like to know the precise length of this line, the number of chokeys to be established upon it, the distance from one to the other, and the number of the officers of every class to be attached to each, so that we might be able to estimate the expense of the whole and to judge how far the chokeys will be sufficient to guard the line efficiently. These points however are not specifically provided for in the Report, and without their being fully before Government any calculation of the financial results of the contemplated system must be little better than a rough estimate.

31. But Mr. Trevelyan himself perceives very clearly that as a single line does not enable us to avoid the evils of rowannahs, and search; neither is a single line to be relied upon for the protection of the revenue. Having intimated generally the nature of the arrangements contemplated for the line in question, he observes, "our next care should be the appointment of patrols "to go their rounds within the preventive limits and seize *any* "*dutiable goods found without rowannahs,* or goods which have "crossed the line of chokeys *without the regular endorsement* "*on their rowannahs.* Two patrols should be appointed for "each of the three western custom houses, or Saharanpore, "Delhi, and Agra, and one for each of the four eastern ones, or "Culpee, Banda, Allahabad, and Mirzapore, being ten patrols "in all. Two horsemen and ten burkundauzes should be attached to each, besides a writer for his office."

32. We entirely approve of the scheme of patrols if the single line be adopted, and to which their powers of interference with goods in transit should be rigidly limited, but then arises the question of *expence* which Mr. Trevelyan appears rather to have overlooked, in placing the financial result of the proposed scheme, compared with the present, before Government. The charge of the patrols can only be confided to persons of some talent, of good character, and presumed integrity—they must we imagine be either Europeans, respectable East Indians, or Natives of the higher class, to any of whom, considering the responsible, harassing and even dangerous nature of their duties, liberal allowances* ought to be assigned. But not only on this account ought their emoluments to be considerable—they must of necessity be entrusted with those very powers which our present race of custom house officers are said to abuse; and to abuse them *because* they are inadequately paid. The officers appointed to the patrol, must have those powers entrusted to them over an extensive tract of country, which has been said, though erroneously,† to have been vested in our present custom house officers over a still greater space. The patrolling officers must have the power to convert the whole of the tract in question into one vast custom chokey, and to stop every article which may be in transit even between one village and another; for once more, be it observed, how are they to ascertain whether the goods are dutiable or not without examining the despatch? To revert to the expence. It must, we fear, for the reasons explained, be very considerable—We should say that each patrol would cost, including all charges, from a thousand to fifteen hundred rupees per month to maintain it in an effective state, but, as we have already said, we think

* Mr. Trevelyan himself at page 118 states it as his opinion that the officer in charge of each patrol should be paid at from 300 to 500 rupees per mensem. There are to be 10 separate patrols. At the medium of the rates specified an outlay of 4,500 rupees per mensem or 54,500 rupees per annum, will be necessary for the *superintendents* alone of the several patrols, independent of the charges for the horsemen, burkundauzes and writers, proposed to be employed, which cannot be estimated as the wages to be allowed them are not stated.

† Erroneously at least speaking of the Bengal custom houses.

that a much greater outlay would be well incurred if we could only secure by it the entire revenue which we are persuaded ought to be realized upon the salt consumed in the Western provinces—it would, we repeat, be well incurred in a revenue point of view, but whether the evils of the system would be limited to a narrower space remains doubtful.

33. We have already noticed the inconsistency which the new system will establish of having goods protected by rowannahs when the use of those documents has been urged as a strong objection to the continuance of the inland transit duties, and when we imagined that one great object of Mr. Trevelyan's scheme was (vide the bottom of page 101 of the Report) to do away with them altogether. But we have further, in connection with the contemplated single line to notice a similar inconsistency, namely, that of having goods, even when accompanied by endorsed rowannahs, stopped and searched by patrolling officers in order to ascertain whether the endorsement is correct, and next whether the merchant is entitled to the use of the documents; although, in the objections urged by the author of the Report, against the existing system the right of stoppage and search on the part of the chokey and patrolling officers, in cases especially where goods are accompanied by rowannahs, is what has been particularly noticed and condemned.

34. We have now to offer a few observations on the probable financial results of the system contemplated in Mr. Trevelyan's Report as compared with those of the customs scheme now in operation,—before doing so however it is necessary to notice one error into which the able author of the Report seems to have been led.

35. Mr. Trevelyan appears to imagine that a great number of articles could be struck out from the inland transit duty list, without materially affecting the revenue, because the collections on those articles, as *shewn by the custom house accounts*, are quite insignificant. For instance, Mr. Trevelyan may have refer-

red to a statement which was furnished from this office, shewing the amount of inland duties realized at the several custom houses for *three* years. He might have found that the article *alum* had only yielded during that period four hundred and eighty rupees in the shape of duty, but during the three years in question, there is credited under the head of duty levied upon *sundries* a sum amounting to rupees 6,13,452, and under this head, if it could be traced, there would probably be found to have been levied on the article *alum*, ten or twenty times the amount really set down opposite to it.

36. If Mr. Trevelyan imagines that the whole forty-one lacs of rupees, which his Report takes credit for, can be levied upon the few great staples of the country, we fear that experiment would prove the calculation to be erroneous, (we mean at the present rates of duty,*) especially if it be intended as the Report intimates, that on cotton, at present one of our most productive staples, the inland duty is to be taken off. But if the whole amount *could* be levied upon those articles, excluding cotton, it would not get rid of those evils already adverted to, namely, the examination of goods, to determine whether they *are* or are *not* of the description on which duty is leviable.

37. But to revert to the probable financial result of the proposed as compared with the present system of inland customs. Mr. Trevelyan confines his calculations to the year 1831-32. This was beyond doubt as unfavorable a year for the present system as could have been selected, nevertheless for the purposes of comparison with the Report we have been compelled of course to take it with all its disadvantages.

38. Mr. Trevelyan assumes that the gross collections of what may be called inland customs under his system would amount, taking for his "basis the proceedings of the year 1831-32" to sicca rupees 41,12,759-13.

* And assuredly the staples could not bear more, except perhaps indigo.

39. It is necessary to refer to the separate paper of remarks for the various corrections which reduce this amount to a gross receipt of sicca rupees 35,12,759-13.

40. Now treating this receipt in the most favorable manner for the Report, and assuming that the cost of management and collection will amount to no more than rupees 3,07,329,* (without any addition for the patrolling or frontier chokey establishments,) and not debiting it with many charges fairly debitable, the total net revenue to Government from the proposed scheme may be estimated at rupees 32,05,430—say thirty-two lacs of rupees.

41. Guided by statements which have been carefully prepared from the revenue accountant's reports, we have the following actual revenue for the year 1831-32, to compare with the assumed revenue of the Report.

Inland customs actually collected in 1831-32, at all the established inland custom houses, excluding those actually collected in the Saugor and Nerbudda territories in Ajmere, and at other unimportant detached places not included in Mr. Trevelyan's scheme, at page 98 and 99,.....	Rs.	45,54,139	0	0
DEDUCT				
Charges of management, both fixed and contingent, including Board of customs, and Dehli,.....	Rs.	6,98,899	0	0
Net receipts,		38,55,240	0	0
Deduct amount of inland customs actually paid as drawback in the year 1831-32, ...	Rs.	2,49,406	0	0

* Assumed at page 100 of the Report.

Net amount of inland customs realized at the established inland custom houses in 1831-32,	36,05,834	0	0
Add amount of bonds for transit duty on indigo actually recovered in 1831-32 in the Sea department of the Calcutta custom house and not included in the above credits, ... Rs.	81,746	0	0
Total actual receipts in cash or surplus revenue obtained from inland customs in 1831-32, exclusive of those realized in Saugor and Ajmere finally retained by the State, Sa. Rs.	36,87,58	0	0

42. The net receipts as above shewn are from the established inland custom houses *only*, but as transit duties are also collected at present in Central India, that is in the Saugor and Nerbudda territories and in Ajmere, and as the trade to and from those quarters will necessarily, under the proposed system, be intercepted by the new line of chokeys to be established on the Jumna, *especially by those intersecting Bundlecund*,* credit ought of course to be taken for the receipts obtained at present in the Saugor and Nerbudda territories and Ajmere. Adding these receipts and debiting the charges of management the revenue from the inland trade of the country as now actually obtained (under the system proposed to be abolished) is as follows :—

Amount *net* revenue obtained in 1831-32 from the established inland custom houses, ... Rs.				36,87,580	0 0
Gross amount of transit duties realized in 1831-32 in the Saugor and Nerbudda territories, ... Rs.	1,63,531	0	0		
Ditto ditto in Ajmere, ...	57,440	0	0		
				2,20,978	0 0
Total receipts,				39,08,558	0 0

* For which Mr. Trevelyan's Report assumes a credit in favor of his scheme, of sicca rupees 3,00,000.

DEDUCT

Charges of collection in the Saugor and Nerbudda territories amounting to, Rs.	16,898	0	0			
Ditto ditto in Ajmere, ...	1,343	0	0			
				18,241	0	0
Net revenue actually credited to Government on the inland trade of the country in 1831-32,..... Rs.				38,90,317	0	0

: 43. Under the contemplated system no deduction has been made on account of the duty on indigo, which may be bonded, and throughout the Report, as it appears to us, the duty on this article has been estimated as an actual receipt. Under the existing system a large amount is annually secured by bonds and never appears as an actual receipt, though if in favor of the proposed system the entire duty is assumed as an actual receipt, the same course ought clearly to be observed in favor of the present system, as otherwise a fair comparison cannot be made between the two. Taking this credit then—the

Net revenue obtained in 1831-32 from the inland trade of the country, ... Rs.				38,90,317	0	0
Duty on maunds 83,057-28 of indigo secured by bonds not entered in the receipts of inland custom houses, being at 5 rs. per maund, Rs.	4,15,288	8	0			
Deduct recovered in the Sea department of the Calcutta custom house on account of non-exportation to places giving claim to drawback, Rs.	81,746	0	0			
Remains liable to recovery, ...				3,33,542	0	0
Total amount of the transit duties *available* under the existing system in the year 1831-32,				42,23,859	0	0

44. It may further be remarked that the value and amount of transit duty taken credit for by the customs department in adjustment of account on country goods provided for the Hon'ble Company's investment in 1831-32, is not included in the foregoing particulars—That investment was valued in 1831-32 at rupees 71,27,693. Thirdly, the town duties collected by the same machinery, and at very little or no additional expence amounted in 1831-32 at rupees 7,30,615.*

45. However leaving these great items out of the question and confining it strictly to the results of the inland transit duty system, it appears that the total surplus revenue raised to the State by that system in 1831-32, and actually paid into the general treasury, after all deductions, was rupees 38,90,317, say thirty-nine lacs of rupees exclusive of a sum of rupees 3,33,542 held in bond on account of indigo, and which would fail to be recovered in the succeeding year if the article remained unexported, or if it happened to be exported to places not entitling it to a drawback or remission of the transit duty chargeable upon it.

46. If we were to add the assumptions of the Report† (and if the second and third amounts assumed, are realizable at all,

* The town duties in the lower and western provinces exclusive of Dehli, amounted to,..... Rs. 5,07,638 2 8
Dehli, ... 1,58,851 14 7

Total Rs. 6,66,490 1 3
Add Saugor and Nerbudda,..... 12,331 7 5
„ Ajmere, ... 51,793 7 6

Total amount of town duties, ... Rs. 7,30,615 0 0

† Bundlecund custom house, ... Sa. Rs. 3,00,000 0 0
Meerut and Agra salt manufacture, ... 2,00,000 0 0
Expected result of the change in the place of collecting the extra duty on salt from the frontier of the Benares province to Allahabad, ... 1,00,000 0 0

Total Rs. 6,00,000 0 0

they are as much so under our present as under the proposed system) then the net inland customs revenue would stand for 1831-32 at rupees 44,90,317,* say forty-four lacs and ninety thousand rupees independent of town duties yielding seven lacs and thirty thousand rupees more, and making a total of above fifty-two lacs of rupees *net* revenue.

47. However rigidly confining our calculations of the produce of the inland transit duty system, for the purposes of comparison, to the thirty-eight lacs and ninety thousand rupees of indisputable net revenue from that system, the following are the results.

48. The Report takes credit for gross collections of rupees 41,12,759-13-0, of these rupees 6,00,000 are assumptions equally available to the other side of the question. Leaving them out therefore on both sides, the remainder shews a gross collection, under the proposed system, of rupees 35,12,759-13-0. We will not embarrass the question by deducting the proportion of drawback debitable to this collection, but let the whole stand to the advantage of the proposed in comparison with the existing scheme.

49. From rupees 35,12,759-13-0 are to be deducted the charges of management or collection. Mr. Trevelyan assumes them† as amounting to rupees 3,07,329 (without any addition for the additional patrolling or chokey establishment) thus leaving a clear surplus revenue from the inland system, under his scheme, of rupees 32,05,430, say thirty-two lacs of rupees, or rupees 6,84,887 less than the amount actually collected by the present inland transit duty system,‡ exclusive of what may hereafter be

* Actual net revenue, ... Rs. 38,90,317 0 0
Assumed, ... 6,00,000 0 0

Rs. 44,90,317 0 0

† Page 100 of Report.

‡ Rupees 38,90,317-0-0 paid into the public treasury as proceeds of inland transit duties, after deducting all expences.

recovered of the duty on indigo remaining in bond at the close of the year 1831-32.

50. According to the above corrected calculations the present system works at a cost of management* amounting to a trifle less then 14 per cent. on the available gross receipts, instead of at 22 per cent. assumed by the Report.

51. According to Mr. Trevelyan's scheme the realization of the gross revenue† would cost within a fraction of 9 per cent. instead of less than 6 per cent. as assumed by the Report. Or if rupees 1,80,000 be added for all the expences of the proposed increased emoluments and patrolling establishments, then the collection would not cost much less, under the new scheme, than 16 per cent.

52. We have shewn that the difference against the proposed scheme on a comparison of its fiscal results with those of the present system, and putting all assumptions for or against both, entirely on one side, may be fairly calculated at not less than rupees 6,84,887.‡ This too is admitting that the single frontier

* COLLECTIONS.

Regular inland custom house, including Dehli, ...	45,54,139	0	0
Indigo bonds remaining unrealized, ...	3,33,542	0	0
This is for 1832-33, but the actual collections of 1831-32 from revenue accountant's statements are what must here be noticed.	49,69,127	0	0
Add Saugor and Ajmere, ... Rs.	2,20,978	0	0
	51,90,405	0	0

EXPENCES.

Regular custom houses, including Board and Dehli, ...	6,98,899	0	0
Add Saugor and Ajmere, ...	18,241	0	0
Rs.	7,17,140	0	0

† Gross revenue, ... 35,12,759 0 0
Charges at page 100, ... 3,07,329 0 0

‡ Independant of above six lacs of rupees town duties.

line and its patrols will be found efficient for the collection of the entire revenue it is intended to secure to the State.

53. Now we do not pretend to say that the whole of this amount, say seven lacs of rupees, would be a dead loss, under the projected system, always providing that the frontier line answers the purpose for which it is established. No doubt in that case the new sources of revenue pointed out by the Report would yield considerable returns, exactly as they would without the present system being at all interfered with. On the other hand it is to be considered that the expence of the frontier line must be very great. On the whole however we may venture to repeat that the seven lacs of rupees would not be a dead loss ;* but it is undeniable that it must be risked, and it rests with Government to determine whether the circumstances of the case justify the risk or not. As officers of revenue, and acquainted with the embarrassed state of the finances, we should say that the risk ought *not* to be incurred. As individuals deeply interested in the prosperity of this great country, and fully persuaded that however the evils of the transit duty system may be exaggerated it still presses heavily, most heavily, upon the principal sources of national wealth, we should say that the risk *ought to* be incurred even were it greater. But in expressing *this feeling*, and it is perhaps more a feeling arising from the constant contemplation of the interruptions and annoyances to commerce necessarily involved in a transit duty system than a matter of calculation, we are still unable to free ourselves from an impression that the frontier customs line will spread the evils of the system even more widely than they extend at present; and if that be the case we incur a risk to the State for no commensurate benefit to the People.†

* This is presuming no alterations to be made in the rate of the duties, and the same number of articles to remain liable to duties—we mention this as Mr. Trevelyan seems to contemplate a considerable diminution in both.

† It will not of course be contended that the people on the banks of the Jumna and Ganges are less to be considered than the people on the banks of the Hooghly, or that the mere removal of the evils of the transit system to a tract more remote from Calcutta is to be considered in the light of a public benefit.

We heartily wish to believe that the system of a frontier line will afford a relief to the country, but when it is considered that the preventive limits are (following the windings of the rivers) six or seven hundred miles in length, and no where less than eight miles in breadth; when it is considered that to distinguish the smuggler from the fair trader throughout this great extent of country, every one carrying goods within the limits must be made liable to detention, and question, and search; we must confess that it requires a nicety of calculation to which we cannot pretend, to determine whether the evils of the present or those of the proposed system will extend over the greatest space in square miles, vex the largest amount of population, or embarrass the traffic of the greatest number of cities, towns, and villages. As a general impression we should say, that the evils and vexations would infest a territory fifty times as extensive as that to which the law limits our customs system in Bengal.

54. With respect to the custom law as it now stands, Mr. Trevelyan observes "The present custom laws are intricate and "obscure, and the checks which are intended to be opposed to "smuggling are not properly defined. The laws *therefore* are "very ill understood, and the revenue commissioners are natu- "rally averse to award the confiscation of people's property on "grounds regarding the correctness of which they do not feel "satisfied."

55. We cannot altogether admit this—That there are many obscurities and intricacies in our custom code cannot be denied; where is there any law in which they do not abound? but on the whole we should say, that with modifications of no very extensive description it would be sufficiently simple, and therefore better adapted to this semi-barbarous country (where simplicity and briefness are most essential in legislation) than a more complete and elaborate scheme. The laws are ill understood, but not "*therefore*." They are ill understood, because, after the fashion of the country, no one will take the trouble to understand them. The English merchants here, speaking generally, live in the most

astonishing ignorance on the subject,* and will often frankly avow that they care little and know less about our Custom Regulations. The Natives are left to find them out as they best may from practice and habit, for it is no very rash assumption to believe that there are not five hundred printed copies of our Custom Law in the native languages throughout the Empire.

56. At page 150 of the Report, Mr. Trevelyan observes, "That part of our present system which derives its origin from the "old Navigation Laws is if any thing still more ridiculous. The "principle upon which it proceeds is, that Foreign bottoms should "in every case pay twice as much as British bottoms, and this "has been applied without any regard being had to the state of "the demand in foreign markets for our staples:" again he says,† "the apprehension that the British shipping interest in the East "requires discriminating duties for its protection is quite ideal. "The sole object of favoring national in preference to foreign "shipping, is to secure the national safety; but in the East fo- "reign shipping is at so low an ebb as to be quite contemptible "in a naval point of view." Again says the Report, "the British "Empire in the East is not of a nature to require discriminating "duties to enable it to maintain its maritime superiority. Under "Providence, no period can be anticipated when other powers "will be able to contend with us for the empire of the sea on this "side of the Globe; but on the contrary, the actual situation of "affairs points directly to a rapid increase of our superiority."

57. Upon the foregoing observations we have to remark that the system of varying rates of Drawback according to flag and destination is beyond doubt intricate, complicated, and embarrassing in the extreme; but the whole question appears to resolve itself into this, viz. whether we are to allow French

* A Sircar or Clerk, too frequently the former, is often the depository of all Customs knowledge in a Calcutta Counting House. Hence the Department is constantly embarrassed by the errors of individuals which the slightest care or attention on their part would have prevented, and then the Law is blamed.

† Page 152.

Ships to carry goods from Calcutta to Singapore, or are by discriminating duties to confine this commerce as much as possible to British ships—A vast field for discussion is opened by this question, which in modified forms has elicited such vehement and contradictory opinions at home—but be it decided how it may, it is impossible to discover, at least so it appears to us, why, at the present day, the produce of India, if carried on a British ship to Great Britain should be taxed, speaking generally, 2½ per cent., and if carried on a British ship to New South Wales, it should be taxed 5 per cent. It may be said that from the vicinity of the market, the exports to New South Wales will bear the enhanced rate; but however this may have been the case formerly, when the absence of competition more perhaps than the vicinity of markets enabled the trade to bear the larger duties, we doubt its being the case now. These are however questions to be decided by a Committee entrusted with the revision of the Tariff.

58. At page 173 of the Report—Mr. Trevelyan remarks, "The peculiar circumstances of the trade between England and "India should naturally induce us to direct our attention to the "means by which the exportable produce of the latter may be "improved in quality and reduced in price." So enormously important does this object appear to every person of reflection, that, speaking as individuals, we should think no risk too great, if there were strong reasons to believe that at such a risk the desired end could be certainly secured. If our exports could be made to compete in the European markets with those of other tropical climates, of the United States, and the West Indies, then the produce upon so vast a trade of the export and import duties alone, at the most moderate rates and such as commerce could easily bear, would more than balance any amount of Inland Customs revenue relinquished. But the question arises as to whether the sacrifice of the Transit duties is all that is required to effect such desirable and important results. Can Cotton be produced which shall command the English market in preference to that of America? Can Sugar be provided which shall rival that of the West Indies in public estimation?

Can our Silk compete with that of Italy? Are there any other important products the improvement of which is *certain* and the production or exportation of which is now materially prevented by our existing Inland Customs system? If these queries can be answered in the affirmative on good and valid grounds, then assuredly we are called upon to encounter great risks, rather than continue a system so detrimental to the true interests of India, and so opposed to the natural state of things in any country—but if those queries *cannot* be answered in the affirmative upon good and substantial grounds, then, at a period of unexampled pressure on the public resources, we place a great asset in jeopardy for no reasonable object. It is still doubted by high Authorities, whether either the Cotton, or the Silk, or the Sugar of India can ever compete in an European market, (equally open to both,) with the Cotton and Sugar of America, or the Silk of Italy.

59. We have in the preceding paragraphs, and more at length in the separate paper of remarks, candidly expressed our opinion with respect to the scheme, which, it is proposed, should supercede our present system of Inland transit duties. We have with the frankness demanded at our hands as servants of Government pointed out what appear to us to be the weak points in the contemplated arrangement, and noticed the misapprehensions and errors, with respect to the present which obtain in Mr. Trevelyan's Report. But we have admitted that the real inherent evils of the Inland transit duty system are great and manifold, and no doubt if not to the full extent assumed in the Report, yet to a very considerable and deplorable degree repressive of the best powers of the country. But, consider them how we will—and we have not given them the less anxious attention, because we have not been the loudest to exclaim against them—we see no perfect remedy. On the contrary, we feel persuaded that the evils are, as we have already observed, (and for reasons assigned in various parts of our notes and in this address) inherent to and inseparable from any inland transit system that can be devised for this country; we fear indeed that they can not be eradicated by any measure short of the entire abandonment of that system.

60. This, however, brings us back to the old question as to whether the revenue raised by the inland transit duty system does not enable the State to protect the country from greater evils than that system inflicts. This grave question is one upon which we are hardly competent to offer an opinion; but assuming that the revenue is absolutely indispensable, and at the same time adverting to our own impressions with respect to Mr. Trevelyan's scheme, as well as to our own admission of the great defects attending that in operation; it is, we think, our duty to offer our own suggestions for the amendment, at least, of that which we apprehend will admit of no radical cure.

61. Briefly then we think, as the tenor of our remarks in the separate paper will shew, that the best palliatives for the evils inseparable from our custom system, with the least danger to the revenue, will be found in the following measures.

1. A re-adjustment of the sea and inland tariff.*

2. Collectors of customs to be charged with no other duties than those connected with the management of their custom houses—salaries to be proportioned to the importance of the several custom houses, so as to afford promotion in the line leading ultimately to the collectorship of the Calcutta custom house and the Board.

3. Mr. Trevelyan's western frontier line to be adopted, if the local authorities† advise the measure after a deliberate comparison of the probable extent of evil it will involve, with the present amount of evil arising from the administration of the custom laws in the western provinces, and if they are satisfied that the evils of the frontier line are the least.

* There is of course one simple mode of ridding the country of the inland transit duty system in Bengal and Behar, if it is practicable; viz. Taxing ALL imports and Exports by sea, at greatly increased rates—that is to say, from five to ten per cent. without reference to Flag or Port. But there are such formidable obstacles opposed to the measure that we have only cursorily adverted to it in our paper of remarks. Would the merchants of India agree to it?—Would the Parliament and People of Great Britain agree to it, for the sake of relieving this country from the annoyance of the transit duties? Finally would the Imports and Exports, especially the latter, bear such an increase of duties?

† This frontier line is a subject on which we have offered our remarks with much diffidence and under correction—feeling that it rested more with the authority in

4. The Bengal custom houses to be maintained, excepting* Hooghly, which is probably more vexatious to the river borne trade than any other. The chokeys round custom houses to be drawn within the limits contemplated by law. Where the limits cannot be so contracted any chokey necessarily left at a further distance from the custom house, than that prescribed (in all practicable cases) by the Regulations, to be under the charge of a trustworthy European or East Indian officer, as is now the case at Cox's bazar,—such chokeys to be placed under the nearest covenanted officer who may be empowered to receive duties and grant rowannahs.†

5. Detention and search at custom houses on the rivers to be rigidly limited to the two extreme chokeys on the river face of the line, (on the principle explained in our circular letter, dated 11th March, 1833, copy of which accompanies our notes). These chokeys to be at no greater distance from the collector's cutcherry than is contemplated by regulation.‡

6. The collector to visit the ghauts frequently, and at unexpected periods to receive complaints of unnecessary detention, exaction, &c. this he cannot do if embarrassed with other duties—a fairly paid uncovenanted assistant to be attached to each custom house to make the rounds of all the chokeys continually for the same purpose. This officer to be empowered to make attachments.

7. A rigid enquiry as to whether the most harassing forms of the custom system could not be dispensed with, and the law simplified without danger to the revenue.

charge of the customs in the western provinces to determine on the validity or otherwise of Mr. Trevelyan's propositions respecting the changes contemplated in that quarter.

* Of course this involves the necessity for continuing the rowannah system—but we see no remedy offering at the same time security to the revenue. In this case rowannahs taken out to cross the frontier line might be made protective only for a certain limited period *within that line*, but to protect goods through the Bengal custom houses and on exportation by sea for the rest of their currency. As for instance a rowannah granted for a year on the 1st of January, might be declared protective within the frontier line until the 1st of March, and available elsewhere as a document certifying the payment of duties until the 31st December following.

† Or this might better be done by the uncovenanted officer, he giving security and transmitting his collections weekly.

‡ They ought moreover to be under trustworthy European or East Indian officers.

62. Some of the above arrangements would indisputably be attended with expense, and the abolition of the Hooghly custom house with loss of revenue;* but certainly the aggregate difference, to the State could not amount to the sum which, as we have shewn, would be risked by the adoption of Mr. Trevelyan's scheme in full, while we think it would give all the relief that our inland customs system is susceptible of without endangering the Public resources.

63. We merely throw out the foregoing propositions for reducing the evils of the inland transit duties, (if financial reasons will not permit of their relinquishment), that they also may receive the consideration of any committee charged with the revision of the system. For our own parts we should be heartily glad to learn that such a committee did not consider our objections to Mr. Trevelyan's views as valid ones, and it is scarcely possible to express the infinite pleasure it would afford us, if we could persuade ourselves that a revenue equal to the amount at present raised by sea and inland customs could be collected at Calcutta, and on the line of the Jumna,—we speak feelingly on this point as the labour and embarrassment entailed upon this office by the present more complicated customs system is beyond belief. All our predilections are in favour of simplicity in taxation, as well as all our natural anxiety to be relieved from daily increasing and most anxious labor. All our wishes for the welfare of the country and for the comforts of the people are enlisted in favor of Mr. Trevelyan's scheme,—where we oppose it therefore, or point out what appear to us unwarrantable assumptions or ill-con-

* Amounting to about Rs. 40,735, as follows :

Collected as imports and exports at Hooghly in 1833-34, Rs.	1,60,589	0	0
Deduct amount for goods which were carried to Calcutta, Dacca, Moorshedabad and Ballasore, and which will continue to be realized if the custom houses at those places are retained, .. Rs.	98,542	0	0
Loss of collections at Hooghly, ... Rs.	62,047	0	0
Deduct amount of fixed charges now incurred at Hooghly, and which will be saved when the custom house there is discontinued, Rs.	21,312	0	0
Net Loss, Rs.	40,735	0	0

sidered theories, we do so with a degree of reluctance which nothing but a sense of the duty we owe to Government could overcome.

64. We have in the Report ventured respectfully to submit our sentiments as to the extent of injury inflicted on the country by the operation of our inland customs system. We have endeavored to shew the risk to the revenue, which we believe would attend the substitution of Mr. Trevelyan's scheme, and with unbiassed minds to state the objections which occur to us as regards the scheme itself. It rests, as we have before observed, with your *Lordship* to determine whether the circumstances of the case justify the change proposed and its concomitant risk. What we are most anxious for is this, viz. that Government should have a true perception of the real amount of the evil which, as it appears to us, the transit duty system entails, and not be influenced in its decision by an impression that those evils are worse or greater than they really are; and again we desire that at whatever conclusion Government may arrive, it may be with the full knowledge of two things; first, the amount of evil to the people which will attend the new as compared with the old system, and next the amount of revenue which must necessarily be risked, We do not say certainly *lost*, but inevitably *risked by* the adoption of the experimental measures advocated in Mr. Trevelyan's Report.

65. With respect to the Town duties we have no observations worthy of notice to submit—the evils they involve are similar to those of the inland transit duties, and they must stand or fall with those; first, because it would not be worth while to keep up separate establishments for their collection, and next because so long as they were maintained scarcely any of the evils of the inland transit duty system would be got rid of, because although only nine articles are now subject to town duty, yet, as we have explained in this Report, and in the separate paper of notes, every article entering a town where the duties were levied, including all the principal marts of commerce in this part of the

British Indian Empire, would be stopped by the town duty officers under pretext of searching for one of the nine which were liable to the tax.

66. If the town duties be relinquished, the State must relinquish at the same time a revenue of about six lacs of rupees in addition to seven lacs which, as we have explained, will be risked by the proposed change in our inland customs system. The total risk therefore, even supposing that Mr. Trevelyan's scheme fulfilled all the anticipations of its projector, would, to the best of our belief, be thirteen lacs of rupees per annum at the lowest calculation.

We have, &c.

(Signed) C. D'OYLY.
H. M. PARKER.

BOARD OF CUSTOMS,
SALT AND OPIUM,
The 25th December, 1834.

P. S. It would be an injustice to the author of a very able and valuable paper, who has moreover afforded the greatest assistance in the preparation of the whole report, were we not to solicit the attention of Government to some remarks and tables, attached to those observations of our own which accompany this letter. The remarks and tables in question have been drawn up by Mr. M. Johnston, the Registrar in the customs branch of this office. Mr. Johnston receives a personal allowance of 100 rupees per mensem, awarded to him for his services in 1825;* and we should feel grateful if your Lordship considered this gentleman deserving of some further mark of the approbation of Government; for he has continued to render those services with unabated zeal and assiduity since the period in question, and we do not exaggerate in saying that, to the branch of our Board's office in which Mr. Johnston is employed, his assistance is invaluable.

* We beg to submit for reference the Correspondence on that occasion.
Board's Letter dated 3d May.
Government reply dated 12th May 1825.

REMARKS

ON

MR. TREVELYAN'S REPORT

UPON THE

INLAND CUSTOMS AND TOWN DUTIES.

[The word Page in small capitals refers to the page in the first edition of Mr. Trevelyan's Report.—The word Line to the number of the line in the page of Mr. Trevelyan's Report under review, counting from the top of the page.]

PAGE 1 AND 2.
PAGE 1 Line 9.
PAGE 2 Line 26.
PAGE 2 Line 35.

1. The *Native* system of collecting transit duties in India, as quoted from Mr. Mill's work, appears to be the very reverse of that described by Mr. Trevelyan in the 2d page of his Report. Mr. Mill states that the internal trade of the country was subjected to *ruinous* obstructions by that system, that it gave rise to *numerous* and *severe* payments—that there was nothing *regular* and *fixed* in the system, that the *duties varied* at *different times* and *different places*, and that a wide door was always open for the extortion of the collectors. Mr. Trevelyan on the other hand describes the duties under the native system as *very light* and *very simple*, and as *fixed* upon well understood quantities. The native system appears from Regulation XXVII. of 1793, to have existed in the provinces subject to British rule up to the 11th June 1790, when it was partially abolished, and in that Regulation, it is described to have tolerated the exaction of duties on goods by landholders in every gunge, haut, or bazar in which goods were exposed for sale, and to have enabled them to establish many petty monopolies as well as to confer many exclusive privi-

leges on individuals highly prejudicial to the lower orders of the people, and to the comfort and ease of the inhabitants of the country at large. It is further added in the same Regulation that on the collection of the duties in question being committed on the 11th June 1790 to the officers of Government, and taken out of the hands of the landholders, they were found to be so numerous and complicated, and imposed on such impolitic principles, that Government found it necessary immediately, or on the 28th June 1790, seventeen days only after the duties and imposts had been resumed—to abolish them altogether; and with a trifling exception to leave the internal commerce of the country, at least within the provinces immediately subject to British rule, entirely free. The character here given of the native system seems to accord with that given of it by Mr. Mill. But even admitting Mr. Trevelyan's account of it to be correct, it does not appear to have had any advantages over the system established by our Regulations, or as the same now exists, while in many respects it must have been decidedly inferior. For instance, under the native system the goods liable to duties were not *declared*—nor the rate and amount of the duties themselves fixed; so that an individual could never before hand know on what he would be called upon to pay duties, nor how much he would have to pay. From these uncertainties he is completely relieved under our Regulations, which not only inform him of the goods liable to duties, but also of the precise amount, and where exactly the payment will be required. Under the native system again, the payment of duties on goods *once* did not exempt them from further payments in their transit to their ultimate destination—but under the European or existing system only one payment is required, and if a merchant takes care to make this payment and to have his goods covered by a rowanah before he moves them, he may after that carry his goods under the protection of the rowannah so obtained to any part and through every part of the Bengal presidency, without being required to pay any further duty. Granting on the other hand that the duties on any particular article or any class of articles are, under the existing system, in some instances high, they still cannot in general equal the amount which must have

been levied in the aggregate under the native system which, as Mr. Trevelyan himself shows, subjected goods to duties in every pergunnah through which they passed without any document being given in return to shew how much had been previously levied and to protect them from further taxation. But besides this and as Regulation XXVII. of 1793 further shews, the goods were subjected to duties in every gunge, haut, or bazar in which they were exposed *for sale*, at rates regulated by no fixed rules, but depending solely on the will and caprice of the owners of the gunges, hauts, or bazars.

2. The European system of inland duties stated to have been established in 1801, (and which with some slight modifications continued in force until April 1810, when the existing system was introduced,) was assuredly preferable to the native system eulogized by the Report, as it defined the articles which were to be subject to duties, and fixed the rate at which the duty was in each instance to be levied, and gave to goods the protection of passes so as to exempt them from the charge of similar duties whithersoever they might afterwards be carried—none of which securities, against arbitrary exactions, existed under the native system.

3. Mr. Trevelyan leaves it to be supposed that under the Regulations of 1801, goods on inland transit were not liable to any higher rate of duty than 3½ per cent. This, it is true, was the rate at which the *customs* duty was generally levied—but on turning to Regulations V., X. and XI. of 1801, it will be seen that besides the customs duty of 3½ per cent. a town duty *on the whole of the articles held liable to the customs duty* was fixed at the rate of 4 per cent.* payable at the same stations

* Drawback of the town duty was allowed only on piece goods, raw silk and indigo, if they were carried out of the town at which the duty was levied within six months after the date of importation, so that in fact the actual duties on trade, under whatever name collected, were 7½ instead of 3½ per cent. Since in no case was the duty absolutely remitted, the payment being merely put off even in the instances specified, until consumption actually took place.

where the customs was levied. The collectors, moreover, were allowed to levy separately for their own benefit, a commission of 5 per cent. on the amount of all town duties collected, and 4 per cent. on all custom duties collected in adition to the duties themselves. The Calcutta collector was allowed to charge in both cases a commission of 5 per cent., and certain fees for the benefit of the collector and his deputy were authorized for Hooghly and Chittagong. It thus appears that under the system established in 1801 the aggregate amount of the duties levied upon goods did not fall short of 8¼ per cent. instead of having amounted to only 3½ per cent. as assumed by Mr. Trevelyan.

4. The customs committee appointed in 1808 distinctly stated in the 17th paragraph of their report, that the duties on every article of import or export were considerably higher, in some instances *four* or *five* times greater, in the ceded and conquered provinces than in Bengal, Behar and Benares. The duties in the ceded and conquered provinces would seem, from the committee's report, to have been in force at the time when those provinces came under British rule, and must therefore have been established under the native system, which is here as elsewhere extolled by Mr. Trevelyan. Now at the period when the committee commenced their labors the inland duties prevailing in Bengal and Behar were those originally established by the Regulation of 1801, and afterwards continued with some trifling modifications by Regulation V. of 1802, and they as it has already been shewn, did not amount to less than 8¼ per cent. a charge in every instance only at *this* rate could not have been considered as light, but charges exceeding this by four or five times—that is to say, 34 or 42½ per cent.—so far from being light, must have been grievously oppressive, and quite ruinous to commerce; yet such were the charges as the committee have stated that were prevailing in the ceded and conquered provinces at the date of their report, and those charges were apparently the same as had been bequeathed to us by the native system. It seems impossible therefore to admit, what Mr. Trevelyan assumes in this place, namely, that the impost to which goods were liable under that system was

"*very trifling.*"—Mr. Trevelyan also seems to assume that duties under the native system were regulated by the distance to which goods were carried, and that the entire amount was not demanded at once, but left to be paid by instalments as the goods proceeded. But how was this distance to be ascertained and how again was the amount of the instalment to be correctly determined, when; as Mr. Trevelyan has elsewhere admitted, no pass was ever taken out for the goods to shew whence they had been moved and how much had been previously levied upon them? The tax-gatherer was apparently left uninformed, as well as uncontrouled, on each of these points, and supposing him to have been honest there was no security such as is afforded by our rowannah system against error on his part, and goods therefore must frequently have been at least *unequally* if not excessively taxed, which of itself is a worse evil to commerce than even a high rate of tax provided the latter be certain, and that the merchant can only know before hand exactly what he will have to pay—all this is amply considered in the European system as it now exists, bad and defective as it no doubt is—Mr. Trevelyan further seems to think that the committee under the pretext of consolidating the previously existing duties* on goods, caused a "frightful augmentation" in their amount. To see how this charge applies, it is only necessary to bear in mind what has already been stated, namely, that in general goods in Bengal, Behar and Benares were liable to duties amounting in the aggregate to not less than 8¼ per cent. while in the ceded and conquered provinces the duties were four or five times as great—then let this be compared with the amount now leviable on goods, when it will be seen that with the exceptions specified in the margin,† the *transit* and *town* duties united do not in any instance, either in the ceded or conquered provinces, or elsewhere, exceed ten per cent. while in the generality of

* See page 3 of Report 5th line.

†

	Transit Duty.	*Town Duty.*
Oil and Oil Seeds,	7½ per cent.	5 per cent.
Beetlenut,.....	7⅓ per cent.	5 per cent.
Tobacco, ...	4 as. per md.	10 per cent.
Salt, ...	pays on quantity and not in value.	

cases, the rate is as low as 7½ per cent. Many articles paying not more than 5 and 2½ per cent. These rates may still be too high, and no doubt are so in particular instances, but they do not bear out the assumption in the report as to the duties having been "frightfully augmented" by the committee of 1809. The committee carried their changes further—for they relieved the trade from the payment of the double tax of customs and town duty to which it was formerly subjected upon every article, and restricted the last mentioned tax to 12* articles, upon only five of which however, they fixed the payment at the same time of a separate customs duty. These were oil, oil seeds, sugar, beetlenut, and salt. On grain, however, the town duty is suspended at present, while on fire-wood it does not exist. The customs duty of four annas per maund, to which tobacco is now liable, was not proposed by the committee, but imposed by Regulation V. of 1820. The relief so effected, or to speak more correctly, the amount so saved in the payment of duties by individuals under the system proposed by the committee, *must* have greatly benefitted both the home or domestic trade as well as the inland foreign trade of the country; though Mr. Trevelyan seems to think that the labors of the committee were pernicious to the home trade, without affording any relief even to the foreign trade.

5. Mr. Trevelyan states that the committee took for their standard in regulating the amount of the duties to be levied, the aggregate of all the instalments which used formerly to be levied.

* These are the following:

Grain.
Pulse.
Ghee.
Termerick.
Charcoal.
Fire Wood.
} Liable to town duty without any customs.

Oil.
Oil Seeds.
Sugar, wet or dry, including Jagree and Molasses.
Beetlenut.
Tobacco.
Salt.
} Liable both to customs and town duty.

If by this is meant, the instalments payable under the native system, it is incorrect, for the committee were guided by the duties which under the Regulations* specified in the margin, were prevailing at the time in Bengal, Behar, Orissa, and Benares, as well as by the duties which under other† Regulations, also specified in the margin, were at the same time prevailing in the ceded and conquered provinces.

6. The existing system may be bad and injurious to the country: We fear it is both, though to a much less extent than is generally assumed. But whether it is bad or injurious *per se*, it assuredly does not offer any *interruption* to commercial industry, which did not in a tenfold degree exist under the native system, while by enabling as it does, and as the native system did not, every one before hand to calculate exactly how much he will have to pay as duties, a very great advantage is gained, and all can now choose and arrange for themselves where and how they can best dispose of their goods.

PAGE 2 Line 43. 7. The committee clearly perceived the evils which arose out of the old system of leaving the trade exposed to successive collections, and they endeavored to correct it not only by declaring the trade to be free after the duty on it was once paid, but also by contracting the space within which the right of interfering with goods was to be exercised by the customs department. The system, however, which Mr. Trevelyan assumes in other parts of his Report to be at present followed, does not, as we shall endeavor to shew, prevail in any portion of the Presidency as a general system, where the principles of the custom committee have been understood and maintained; where they have been lost sight of, the evils which followed are not all fairly chargeable to the inland transit duty system, but to the abuse or misapprehen-

* These were 5 & 10 & 11 of 1801.
& 5 of 1802.
† These were 11 of 1804.
& 6 of 1805.

sion of it, or else to a necessity for departing from the law so widely as to shew that for those parts of the country where the necessity exists it was inapplicable and ought to have been amended. The committee, like all other taxing committees, fixed the duty on each article as high as they thought it would bear without injury to commerce—and fairly so, if the wants of the State rendered the revenue indispensable—if the wants of the State did *not* demand such a revenue, the tax is then, like all other taxes under similar circumstances, indefensible. The duty on the article once paid made it free for a whole year, and for a second if still in the merchants hands.* The committee fixed chokeys for collection of duties, and it was the principle of the Regulation that they should not be removed, except in cases† expressly provided, to a greater distance than two coss (or four miles) from the office where the collector of customs transacted business. The rest of the country was intended to be left free from the presence of a chokey or a customs officer. This principle, if not rigidly observed in Bengal, has still been but little departed from comparatively speaking. It has however, we apprehend, been entirely disregarded, probably from necessity, in the Western provinces, especially in the appointment of a patrolling force to seize goods any where and every where, unless they were covered by rowannahs, for there is no authority whatever in the Regulations to attach chokeys to custom houses of any other kind than those which were to stationary or fixed to particular spots. Mr. Trevelyan remarks that, under the native system, if goods were only conveyed into an adjoining district, the impost to which they were liable was very trifling. This is hardly the question whether the imposts were trifling or heavy ; the delays of examination and extortion of native officers continued the same, and if the goods were carried far, the trifling instalments became in the aggregate an enormous tax.

PAGE 3 Line 12. 8. It is impossible to agree with Mr. Trevelyan, that what he denominates the home trade suffered more from

* Sec. XXVI. Regulation IX. of 1810.

† Sec. XI. Clause first, Regulation IX. of 1810.

the new Regulation IX. of 1810, than it did from the system, which imposed imposts upon goods conveyed from each district to the district immediately adjoining. For again we repeat that the amount of the impost, unless it be enormous, is less a matter for consideration, than the delay to a dealer which its collection involves, and the extortion or vexatious interference of native officers for which it affords an opportunity or a pretext—assume that a duty is even 20 per cent. and that the number of stoppages are only five, it is impossible to say what reduction in the duty would be a sufficient compensation to the merchant for the stoppages, if the number of them were increased to a hundred. Now under the system, which Mr. Trevelyan seems to think presented rather a favorable contrast to our own, goods in transit must have been stopped at the boundaries of every district. We do not exactly know what is meant by a "district" in the Report, but if it signifies a pergunnah, we can hardly assent to Mr. Trevelyan's conclusions. If by a district is meant a zillah, there is assuredly at this moment not a zillah in Bengal or Behar, across the land frontier of which goods may not pass into the neighboring zillah without hinderance* or question from a custom house officer. This is certainly what we should consider as intended to fall under the term "home trade" employed by Mr. Trevelyan, and if we are not mistaken in this assumption surely the substitution of our system for the native system must have been a vast relief to the country, and cannot fail to be so wherever the principles of that system are correctly understood and carefully observed.

Page 3 Line 19. 9. Greater facilities to exchange must, we imagine, exist under a system in which the duties are known and

* It is true that at some places above Behar, the trade is not allowed to pass in this unrestrained manner, as patrolling officers exist under the custom houses at Meerut, Dehli, Agra, and Cawnpore, who have power to seize goods, found any where in transit, unless accompanied by rowannahs, whether they should at the time be within the limits of any particular chokey or not; but as before observed the appointment of patrolling officers or roving chokeys is not authorized by the existing Regulations, and they are not any where to be met with in Bengal, Behar, and Orissa.

are demandable only once, than in one in which they were apparently left to be arbitrarily determined by the controuling officers, and in which the demand was renewed at every haut or village to which the goods were carried for sale.

Page 4 Line 20. 10. This argument certainly holds good against the native system of levying imposts, and which notwithstanding the assumption that they were light, would always be as heavy as the trade could bear on the transit of goods from every district to the next. Now, however, with the duty once paid, the whole market of India is open to the merchant, the question, indeed resolves itself into one having reference solely to the delays and exactions attending the *abuse* of the system, and not affecting the system itself if properly understood and acted upon.

Page 4 Line 35. 11. We do not perceive the aptness of this illustration on which nevertheless much of Mr. Trevelyan's argument throughout the Report is founded, because where the custom regulations have been properly interpreted and applied there is no line of chokeys completely dividing any one district from another; natural divisions would of course exist whether our customs system obtained or not. If we may be permitted to follow Mr. Trevelyan's instance and offer an illustration, we should say that the chokey or custom house is a toll gate on a turnpike road.* The farmer may carry his hay or his corn by cross roads, or over the heath, into the next county; but it rests with him to decide whether he will do this or pay the toll on the high road which leads to the market town. It is indisputably true that it would be better for the farmer if there was no toll at all, but then how is the high road to be kept in repair? If Government has to keep it in repair they must tax some one or something for that purpose, and it is not difficult in India to suppose a case where no other description of tax likely to produce the necessary amount can be substituted. But to the legal toll may be added unneces-

* We assume a country where the roads are kept in order by the Government, who levy a tax to defray the expence.

sary delay or insolence or extortion on the part of the gate-keeper. This is a nuisance which the European, or at all events the English farmers, would speedily abate for themselves, and which in this country the Government and its officers must make every exertion to diminish.

PAGE 5 LINE 1. 12. There is surely some great misapprehension here—if it be meant that *no* metal can be transported from one place in any part of this Presidency to a contiguous place without being liable to a charge of 10 per cent.—a dealer may load his bullock with brass* or any other metal at Ganjam, and carry his load *right across the Presidency to the hills of Assam* without once paying a duty of any kind or entering the *jurisdiction of a* custom house. If he does enter such a jurisdiction (we speak of Bengal, Behar and Orissa) and if he does pay his 10 per cent., assuredly it is because the advantages of the mart compensates for the expence it involves in the shape of duties or any other charges. The dealer in such a case must seek the jurisdiction. The jurisdiction does not seek him. We still speak only of the Bengal custom houses which the brass merchant from Ganjam need not encounter any where unless he takes advantage of our great high road, the principal river of the Gangetic provinces; and then, if it is impossible to conduct the government of the country for the general good without a certain amount of revenue, it is but fair that the merchant should advance that toll, which he realizes again and very speedily from the consumer. We speak of a dealer crossing the broadest part of this Presidency, and in doing so we do not assume that he follows any secret or out of the way route to avoid our custom houses. He follows the natural course which a man would take under such circumstances, and ten thousand similar routes might be pointed out (leading through the richest and most fertile portions of the lower provinces from the western to the eastern extremity) where the trade need not and does not pass within miles of a custom house jurisdiction—for what is that jurisdiction in ordinary

* Wrought brass, as lotahs and other vessels used by the natives, are not liable to duty of any kind even if brought to a custom house.

ordinary cases? Two, say even three coss, from the custom house, nay assume that it extends five in every direction, and how small a portion of this vast territory falls under the remark of the Report. That "trade cannot be carried on between the most "contiguous places in the interior" without being burthened with custom charges of from 5 to 10 per cent.

PAGE 6 Line 14. 13. Under present circumstances, observes the Report, "a general tendency exists towards that barbarous state "of things in which every body is obliged to produce and manu- "facture every thing he requires for his own consumption." The answer to this is a simple one. It presents itself in the official returns of the value of inland commerce. From 1809-10 to 1830-31, both years inclusive.

1809-10	Sa. Rs.	2,34,56,021
11	,,	2,65,37,467
12	,,	2,60,54,270
13	,,	2,79,12,927
14	,,	2,55,58,140
15	,,	3,20,41,052
16	,,	3,94,97,395
17	,,	4,88,00,247
18	,,	4,68,39,772
19	,,	3,96,97,156
20	,,	5,32,25,995
21	,,	4,61,17,184
22	,,	5,03,69,131
23	,,	4,77,44,945
24	,,	4,05,02,575
25	,,	5,42,32,271
26	,,	5,80,94,212
27	,,	5,13,54,443
28	,,	5,39,90,234
29	,,	5,33,29,946
30	,,	5,18,95,142
31	,,	5,23,33,470

Now the above is the value only of the private trade, and does not include the value of the investment which was provided annually for the Hon'ble Company; neither does it include the value of salt, tobacco, and cotton, all of which pay duty on weight not on value. Moreover, the value of all such articles as are *not* liable to transit duty, but which also form part of the inland trade of the country, has been necessarily omitted, the following may be enumerated:

Lac Dye,
Ghee,
Turmeric,
Coal,
Grain,
Pulse,
Indigo Seed,
Wrought Brass and Copper,
Beads, Malahs and Rozaries,
Canvas,
Cordage,
Coir,
Buggies, Carriages, and Palankeens,
Household Furniture,
Pearls and precious Stones,
Jewellery,

in all of which the commerce of the country has probably increased as the general commerce increased. This increase is assumed from official return, it may be correct or it may be incorrect; at all events we have no better information, it is the same as that resorted to by Mr. Trevelyan in the composition of his Report, and it shews that the value of the inland trade increased from the date of the existing custom regulation, 1809-1810, from two crores and thirty-four lacs and a half of rupees to five crores and eighty lacs and ninety thousand rupees in 1825-26. It has fallen since that period* as low as five crores and thirteen lacs

* In 1826-27.

and a half of rupees, rather more than double the value of the inland trade in 1809-10, but certainly not from any increased obstacles presented by our inland transit duty system which has if any thing been relaxed since that period. Now this value of the inland commerce is the value of that which came under duties, and is certainly any thing rather than confirmative of the declaration "that a general tendency has been created by our "internal customs system towards that barbarous state of things "in which every body is obliged to produce every thing he re-"quires for his own consumption"—a tendency which could scarcely have failed in the lapse of nearly thirty years to have shown itself rather decidedly through the diminished value of the inland commerce.

14. But it may be observed, the inland commerce would have been still greater had those vexations and interruptions which impede it in the shape of duties and chokeys not existed. This is a mere matter of certainty; and it is also probable, though, according to the theory most in fashion at present, not quite certain, that the prosperity and wealth of the country at large would have been still greater had it been relieved from the pressure of the land tax, and the presence of collectors and the vexations attending its collection. One principal, indeed the only question in either case, is, "can the revenue be dispensed with without causing greater mischiefs to the people at large than attend its collection?" If the reply be in the negative then arises another matter for consideration—can the amount be levied with less loss or vexation to the public? This latter point deserves of course the most serious, the most profound, and the most conscientious enquiry.

PAGE 5 Line 21. 15. Beyond the limits of chokeys, as already shewn, they can be both manufactured and consumed over tracts of country in which the jurisdiction of the seven custom houses of Bengal, Behar, and Orissa, are mere specks—nearly all indigo works, many sugar works, the Fort Gloucester works, and others for manufacturing paper, are established beyond the limits of chokeys.

PAGE 5 Line 30. 16. What precise *necessity* is there for establishing a manufactory *within* a cordon of chokeys? Fort Gloucester, the largest specimen of such an establishment in India, is not so located. If goods come to the great marts, where a custom house is established, they pay (such being the necessities of the state) for that advantage. As for the great undertakers and petty manufacturers, both are on a par if their goods go to a general mart of commerce where the Government duties are levied—each may chuse his place of manufacture so as to be unmolested till he takes advantage of the mart, which he would assuredly never visit if the benefit derived from conveying his goods there was not an ample counterpoise to any evil in the shape of a chokey or a duty.

PAGE 5 Line 43. 17. The privilege accorded to Mr. Blake simply consists in his depositing duty at the Calcutta custom house on all raw materials passing through the Calcutta chokeys, and having it refunded when the custom house officer certifies to the raw material having been received into the factory at Dobah. The manufacturer here makes a temporary payment for the convenience of the route, for there are a hundred other routes by which the raw material could reach Dobah, but none quite so convenient.

18. The indulgence granted to Mr. Blake has been sanctioned on the express condition that it shall not operate as an injustice or inconvenience to others engaged in the same line as himself, and the moment that it is proved to be so it is liable to be withdrawn.

PAGE 6 Line 9. 19. The existing system was established only in April 1810, and has not been in operation quite a quarter of a century instead of, as assumed in the Report, "for the better part of a century."

PAGE 6 Line 10. 20. It is an essential principle in all custom laws, that if the merchant wants credit for duty paid upon any particular goods, the identity of those goods must be established.

PAGE 6 LINE 17. 21. Ten per cent. is perhaps not too large a tax upon an article of luxury chiefly supplied by foreigners, nor even 20 per cent, if that amount can ever be collected with any certainty, when it becomes still more an article of luxury by the plain shawl being converted into a piece of rich embroidery for the wealthy alone. Let it also be recollected, that the tax of 10 per cent. is levied upon the invoice price,* the price declared by the merchant, with a fixed advance upon that price. The merchant will probably take care not to produce too high an invoice.

PAGE 6 LINE 23. 22. The duty on cotton in its clean state is twelve annas per maund. In its uncleaned state four annas per maund, but both these duties are modified so that no *more* than 5 per cent. can ever be levied on the market value of the cotton.

PAGE 6 LINE 33. 23. All this accumulation of duties might be avoided simply by the manufacturer establishing his manufactory beyond the limits of the custom houses, or what would be still more sensible, in the places where the raw material was produced. Surely a speculator could hardly complain of the vexations of our custom system if he established a saltpetre refinery between Hooghly and Calcutta, thereby subjecting his boats to stoppage and search at Patna, Moorshedabad and Hooghly, instead of establishing it beyond the limits of the Patna custom house in Behar. Indeed the foundation of very many complaints seems to be that the manufacturers cannot take advantage of the great marts without coming under certain forms and duties, in other words, they complain that they cannot take advantage of the high road without paying that toll which the necessities of the State compel Government to levy, and which could not be levied at all without the use of toll gates and other precautions, all no doubt vexatious in themselves, and to be dispensed with the moment that the high road can be kept in repair by other means.

* Regulation IX. of 1810, Section XII. Clause first, Article 12.

PAGE 6 Line 34. 24. Manufacturing industry frequently seeks the protection and profit obtainable in towns, but it does not thence follow that they are the *natural* seats of manufacturing industry. What are the manufactures peculiar to London, Edinburgh, Liverpool, Paris, Amsterdam, Petersburg, Naples, Madrid? They are depots for the manufactures of the neighboring country exactly as Dacca was for the muslins made in the aurungs long before our transit duty system was ever dreamed of. In general, great towns are the seats of greater wealth and expenditure; hence there appears to be nothing very inequitable in a consumption duty levied on a few bulky articles in common use, and falling too lightly upon individual consumers to be even calculated. But it is a mere consumption duty and may be avoided, no article merely passing through a town pays it.* But where is the necessity for a manufacturer paying the town duty at all? Surely it is no great hardship to him to establish his manufactory *outside* the *town duty* limits, say for instance beyond Ballygunge, or on the other side of the new canal; or, if the town be in the upper provinces, at any similar spot beyond the chokey limits there, when he will receive both oil seeds and the raw materials for sugar which need never to have passed a customs chokey, and which he may distribute again as oil and sugar over thousands of miles of country still without their ever approaching a customs chokey.

25. If a tax be leviable at all, we are unable to consider as an objection to it, that the payer has it in his power to avoid the tax if he will forego the advantage which its payment secures to him.

PAGE 7 Line 4. 26. We think it rather a hasty assumption to ascribe the low state of manufacturing industry to the restrictions of our customs system, we never heard that it is in a much higher condition in any part of India where that system does not prevail. We think the probabilities are that as in all semi-barbarous countries, the manufacturing industry of India will decline in proportion

* Specially provided in the Case of Calcutta by Regulation X. of 1813, Section 30, Clause first, and by Regulation I. of 1834, Section V. In other custom houses it is provided by Clause third, Section 3, Regulation X. of 1810.

as its intercourse with a civilized manufacturing country increases; and that the attention of the people will rather be turned to the improvement of raw produce exchangeable for the manufactured goods of England—at all events one thing is certain; viz. that if the manufacturing industry of India has declined under the influence of our customs system, the general industry has assuredly not suffered from it, a fact sufficiently demonstrated, we think by the statement in the 13th remark in this Note.

PAGE 8 Line 10. 27. In Great Britain, the Government were enabled to provide for the just and necessary expences of the State without establishing a cordon of chokeys round Manchester. If the Government of India can do the same or can dispense with customs chokeys, assuredly not one voice from Chittagong to Dehli would advocate their maintenance. But after all it is a mere assumption, that such would have been the effect of a cordon of chokeys round Manchester* for the purpose *not* of *confining* the supply of manufactured cloths to the town itself, as assumed by Mr. Trevelyan, but of levying a duty upon them before they quitted the town, the same duty being leviable at all other similar places of manufacture. There was a chokey† so to speak in every glass house, and papor manufactory, and tannery, and candle manufactory, and printed goods manufactory in England; yet the prices on all these articles have been greatly reduced and their qualities greatly improved in spite of the controul exercised by the excise officers over the several manufactories adverted to. That the prices would have been further reduced and the qualities perhaps further improved had no excise existed no one can reasonably dispute, indeed the gist and scope of the whole of Mr. Trevelyan's argument seems to be to this effect, viz. that commerce and manufactures would attain a more prosperous and flourishing state if relieved from taxation, and the machinery

* The illustration is not a very happy one, for the Liverpool custom house is to Manchester, as far as piece goods are concerned, a chokey through which the raw material must be passed before it can be worked up—after being worked up it was, if dyed or painted, liable to a separate duty.

† On the part of the excise.

necessary for its collection than when subjected, to those impediments. This is a view which we believe few will be found bold enough to deny.

28. Before we quit this part of the subject we deem it necessary to revert once more to the case of Manchester piece goods, the increase and improvement in which are ascribed in the Report to that place not being shut in by chokeys as the manufacturing towns of this country are. Now this improvement and increase it is admitted, took place immediately after the general peace in Europe and the opening of the Indian trade in 1814; and it is fair therefore to suppose that the consequent opening created for those goods in Europe and in India, and not any particular freedom enjoyed by Manchester from the interfence or presence of custom house officers, was the chief, if not the sole cause, of the increase and improvement adverted to.

PAGE 9 Line 6. 29. The irregularity noticed in the Report between the inland duties and the import duties on British goods is a real and crying evil, but it was forced upon the country by the British legislature; for the principle which guided the Finance Committee by whom the existing inland duties were imposed in 1810 was to fix those duties generally lower than the duties on *Europe* goods, including of course British goods. Accordingly, the rate of the *inland* duty was assumed generally, or with few exceptions, at 7½ per cent., while the *import* duty on European goods imported on *British* bottoms was fixed at ten per cent., and twenty per cent. on the importations on *Foreign* bottoms. It is assumed in the Report that the Indian Government ought, on the opening of the trade in 1813, to have reduced the inland transit duty to the same rates as were then authorized to be charged on articles from Great Britain. There can be no doubt of this, but now, when it appears that the law leaves another mode of adjustment optional, there is perhaps no good reason* why a general rearrangement of both the sea and inland duties should not take

* No provision as to the rate of duty leviable on the sea-borne commerce appears in the new bill.

place. Keeping in view that the levy of the duties is not for protection but for revenue, and consequently affixing to each commodity the highest rate that it can afford to pay without encouraging illicit trade, such a revision would no doubt involve the reduction of the duty on many articles on which it is now too high. It might be attended with a corresponding increase on others, while many articles which are found to be not at all productive might be dropped from the tariff altogether. But this is a subject of enormous magnitude involving all the best interests of the country, and it seems preposterous to suppose that any justice can be done to it by following the old routine of calling upon an individual officer, or a Secretary to Government, or a Board, to make a Regulation. The Imperial Parliament of Great Britain, or the Senate and Representatives of the United States, the elite of the two most commercial countries in the world, would approach such a subject with diffidence and apprehension. Yet here, judging from experience, an individual or two harassed with the current duties of their offices, and frequently engaged in a constant struggle to keep those from accumulating beyond all power of controul, are thought competent to deal with subjects which would task the utmost wisdom of the wisest amongst whole nations, aided by all the information which self-interest or public spirit can elicit from the most educated and intelligent mercantile communities in the world.

30. We have of course in this country no substitute, none whatever, for means which are after all too frequently found inadequate to the end proposed; but still we think that even here a custom law or any radical change in the customs system should neither be left to be framed by an individual however accomplished, or by a Board however zealous. Our persuasion is, that a committee, consisting of servants of Government in the customs department, or familiar with the system, and of the principal European and Native merchants, ought to be formed. The merchants being invited to assist for their own and the general good. That the committee should consist of twenty or thirty members. That all points should be discussed *viva voce* at

periodical meetings,* and disposed of by a majority of votes, the result merely being recorded without the cumbrous and complicated and embarrassing array of notes and minutes and counter-minutes which clog and complicate the whole machinery of Indian Government. That the starting point should be the amount of revenue now anticipated through the medium of the customs' duties,† and the matter for discussion how that can be realized with the smallest possible amount of interference with trade and of vexation to the payer. Such a revenue and so raised, with reference to present times, would naturally expand in proportion to the increase in trade and the greater prosperity of the country. The project of the law being framed, might be submitted in due course to the Legislative Council, and there receive such amendments as might appear necessary.

31. We have suggested *viva voce* discussions, and decisions by vote; for we are quite persuaded that nearly all former attempts to obtain the aid of the mercantile community and persons out of the service, have failed because they have been required to offer their opinions on voluminous documents and with respect to complicated subjects in writing. Nearly every man in this country has already such ample occupation for his pen, that he views with considerable aversion any additional call for its use, unless his livelihood or his success in life actually depends upon it. We have constantly put queries to the mercantile community in which it was reasonably to be supposed they were sufficiently interested to furnish written answers, but in nine cases out of ten, our expectations on this head have been disappointed. But when we have met any of the parties personally and adverted to the matter of our written communication, we have found no difficulty in obtaining such full opinions as evinced a familiar knowledge of the subject; and shewed that our requisition for information or advice had been well considered, though the parties had not the time or the inclination to reduce their ideas to writing.

* Say twice a week of one hour each.

† Say the highest amount of revenue raised since the passing of Regulation IX. of 1810.

PAGE 9 Line 22. 32. This is a misapprehension, for since the year 1830 native cotton yarn has paid only 2½ per cent. inland transit duty, instead of 7½ per cent. as assumed in the Report. But if it paid nothing, we think the result would be precisely the same; we fear that it was by no means the payment, altogether inequitable, of 7½ per cent. on country and 2½ on British piece goods which enabled the latter to command the market. The superior quality of the imported goods is what secured and secures the preference—piece goods for instance whether imported from Great Britain or produced in the country now pay alike only 2½ per cent. Yet the former are preferred notwithstanding that the raw material is obtained from distant parts, and that it has when manufactured to bear the charges of a long and expensive voyage before it can reach this country, while our manufactures still shew no symptom of equalling the British manufactures, generally speaking, either in beauty or texture. But as a more conclusive proof, even American piece goods, which pay ten per cent. are now preferred because of their superior fabric to our Indian manufacture. If the duties alone offered an hindrance to improvement, how is it that in instances where duties are not at all levied no improvement whatever in the manufacture has taken place as in pottery, glassware, prepared or worked silks, and a variety of other manufactures which might be named?

PAGE 9 Line 41. 33. This seems to us a very exaggerated account of the state of things intended to be described, or rather one altogether erroneous. British piece goods pay 2½ per cent. on their value in this market—say that a piece of British muslin value 100 rupees pays 2½ rupees duty. It is clearly a delusion to assume that on the other hand a piece of Dacca muslin value 100 rupees, has ever or in any shape paid 17½ rupees duty, or 17½ per cent. on its value.* The cotton in its raw state pays, supposing it to come within the limits of a custom house, twelve annas per maund, 96 sa. wt. to the seer. Now how many pieces of muslin, each worth 100 rupees, or any other price, would a

* There is the same enormous calculation in this paragraph of the Report with respect to hides, leather, boots and shoes.

maund of cotton make? If it only made one piece of muslin worth 100 rupees, the duty instead of being five per cent. on the piece of muslin as assumed in the Report, would be only three and a quarter* per cent., but as we know that a maund of cotton will make sixty or a hundred pieces or more of muslin worth one hundred rupees each piece, it is scarcely possible to estimate at a low enough rate that portion of the customs duty upon the raw material, which is fairly chargeable to each piece of muslin—The same with cotton yarn—a quantity of yarn which pays five rupees duty, will make many pieces of muslin worth each one hundred rupees, and on the whole we are inclined to believe that the duty on undyed country piece goods, value one hundred rupees, added to their carriage from the place of manufacture, would be found not to exceed the duty on English undyed piece goods added to *their* carriage from the place of manufacture instead of exceeding it by 15 per cent. But after all the question arises why do not the manufacturers of Indian piece goods establish themselves in the cotton country? What man in the United States who wished to make indigo would fix his factory in Massachusets instead of South Carolina or Georgia? If Indian manufacturers of cotton piece goods† so established themselves in cotton countries, and if they further established their factories, as they might still more easily do, beyond the limits of a customs chokey, then plain goods would at once enter the market paying not one fraction of duty beyond that charged to the English importer.‡ But all this is loose speculation, the true interests of India point for the present less to the encouragement of manufactures than to the improvement of raw produce exchangeable for manufactures.

	Per Cent.
* Duty on piece goods,	2½
Duty on a maund of cleaned cotton,	1
	3½

† We are not here speaking of the village looms—it is absurd to suppose that they can contend against the power loom either in England or India, and certainly we have no idea of the transit duties or any others being accommodated to their protection at the expence of the community at large.

‡ Indeed less, as imported goods are obliged to take out Maasse rowannahs.

PAGE 10 Line 42. 34. The use of English twist in the manufacture of cotton piece goods is not now so general as formerly, for it is getting displaced in the market ever since the establishment of the Glo'ster mills, which now we believe largely supply the country with twist made from the cotton of the country.

PAGE 11 Line 29. 35. No one can reasonably doubt that the trade in Indian cotton piece goods would have been equally lost, if not one customs house or one customs chokey had existed from Agra to the ocean, though there is an apparent tendency in the Report to connect this inevitable decline with the operation of our customs system—any inequality in the duties on the two articles would be a great injustice requiring amendment, but as we have shewn, the inequality in this respect is not quite so great as the Report assumes. The European cotton piece goods are subject to similar forms and the same detentions under our inland system as the country article.

PAGE 11 Line 37. 36. We do not exactly perceive why, setting aside Financial difficulties, Indian piece goods should have been exempted from the payment of a duty while it continued to be levied on the British fabrics. This approximates to levying a duty for protection and not for revenue, a scheme which we are sure would meet with little countenance from Mr. Trevelyan. If the State could dispense with the amount collected, then levy duty on neither, but do not protect a class, (the cotton growers and weavers) at the expence of the community. If both British and country piece goods had been relieved from duty, we apprehend that the result would have been precisely what has occurred.

PAGE 12 Line 33. 37. Production and consumption are obstructed more or less under every customs system in the world. If any of these evils is greater in degree under our inland system, the cause is traceable to the people of India themselves. To the abject submission on one side, which generates and perpetuates oppression on the other. The people of England and of the United States would be subject to nearly an equal amount of loss and

vexation through their custom systems, in addition to the taxation they involve, if they were disposed to submit to it. Who has ever travelled much on the Continent and not experienced the effect of a douceur in expediting the transit even of his trunk or his mail bag. Is it to be supposed that merchants are less tempted than other people to abridge forms and shorten delays? Abuse is no excuse for abuse. This is most true, but it is as well to keep in mind, that such abuses are not peculiar to our Indian inland transit duty system, but that in the nature of things they will prevail wherever people will submit to them, and that the power of all the Governments on earth, unassisted by the people or by a public opinion before which evil doers in any situation would shrink, will never effectually check such abuses. Under the most despotic forms of Government where the fiat of authority consigns even the suspected offender to the dungeon or the mines, those abuses are greatest. Then abolish the system of inland transit duties altogether—No one echoes that suggestion more heartily than the writer of this note if the revenue derived from that source can be spared, or if it can be elsewhere raised without giving rise to greater and more widely extended evils. One sweep of a Pindarry Durrah, tempted by an open frontier in the absence of troops, would cause more wretchedness and human suffering than the realization of all the transit duties from Patna to Calcutta, since the first establishment of custom houses.

PAGE 12 Line 36. 38. Admitting this to have been the case yet according to the Report* the goods had to pay toll on entering each pergunnah. Now we think bad as our system may be, that any merchant in India may safely be asked whether he will pay his duty of 7½ or 10 per cent. at Patna, and take out a rowannah freeing him from all search except at our fixed chokeys, or assent to pay a toll, say only of one anna per oar for a boat or one anna a head for a bullock, on entering each pergunnah on the river or the land route. If a payment is to secure the goods against any further toll a protecting pass is indispensable, and the pass must be examined with the goods at certain places, or the whole system falls to the ground.

* Page 2 of Mr. Trevelyan's Report.

Page 12 Line 7. 39. This is peculiarly applicable to the Western provinces. In Bengal the principle is to draw the chokeys as closely round the marts as possible; where they are placed otherwise they are exceptions to the general rule, forced upon the department by the peculiar character of the country—Where they *do* exist at any distance from a custom house much exceeding that prescribed as the general rule,* as for instance at Luckipore, Dolooala, and Bogwangolah, a trustworthy European officer empowered to collect duties and grant rowannahs ought to be in charge.

Page 13 Line 16. 40. Again it is necessary to ask why did the merchants establish their depots within the line of the Ghazeepore chokeys? At the same time we very readily admit that the depot or warehousing system sanctioned for Mirzapore† might be advantageously introduced at Ghazeepore and elsewhere where a great amount of raw produce is collected for exportation. The town duty warehousing system at Mirzapore is distinct from that regarding *customs*. The former is of recent date and has not been taken advantage of from the cause specified, namely, the rent demanded for the use of the warehouses. The other for warehousing transit duty goods is of ancient date and is to this day in full operation. It was specifically provided for by Regulation IX. of 1810 under the head of "Mirzapore Special Rules."

41. We are not aware that it is objectionable for collectors to authorize the import within their own jurisdiction of goods under protection of certificates or temporary passes, though of course those certificates or temporary passes would not be binding on the collectors of any other jurisdiction. To this day goods are allowed to be brought into the Furruckabad, Barrelly and Meerut jurisdictions under what are called ikrarnamahs or temporary passes. In like manner goods are brought into the Moorshedabad and Calcutta limits under what are termed half passes, and

* Two coss or four miles.

† We believe the merchants have never taken advantage of it because some trifle of rent was required for the use of the warehouses.

the merchants at Ghazeepore might if they apply for it obtain the same accommodation for their sugar or for any other goods.

PAGE 14 Line 1. 42. We must be permitted to observe that the more logical deduction from this fact; viz. the increase in the Ghazeepore sugar trade from 30,000 maunds to 2,61,000 maunds per annum, between 1789 and 1831-32, would have been that the depressing influence of our customs system had been greatly exaggerated. It would be easy to assume that, but for our customs system, the trade in sugar at Ghazeepore would have increased to twenty lacs of maunds or any other conceivable quantity; such assumptions however are very remote from arguments.

PAGE 14 Line 10. 43. It is assumed to be a hardship, that merchants after obtaining a rowannah for their goods cannot move them if they happen afterwards to be divided and sold in separate parcels without procuring Attraffee rowannahs for these separate parcels, and paying an additional duty of eight annas per cent. on their goods. Certainly, this part of our system is somewhat complicated and must often impede trade, but it must be admitted that if these Attraffee rowannahs were not issued, goods would have been subjected to a much heavier duty than the eight annas per cent. on occasions of their being broken up in the manner alluded to in the Report; as the original rowannah taken out could not be with every separate parcel, and the absence of it would necessarily subject the goods to the payment of the full duties over again. It is clear, therefore, that the grant of Attraffee rowannahs was for the benefit more of the merchant than of the revenue, while it is equally clear that unless a small duty was attached to the issue of those rowannahs, it would be difficult to provide a check so as to prevent their being applied for when not absolutely required, and from caprice.

PAGE 14 Line 31. 44. The renewal of rowannahs chargeable with a *duty* of half per cent. is meant to provide for extraordinary cases and to meet the contingency of a very great

depression in the market. But in general this is an indulgence which ought not under ordinary good management to be required. A year is a long time for any article to remain on hand. It is to be feared that even as it is the privilego is frequently abused, for it is very curious to see how precisely the rowannahs are caused to arrive within the limits of a custom house (where they can be renewed) three or four days only before the expiration of the year—in the mean time they have possibly been used in connivance with the chokey amlah, and in a mode well known to the customs department, to pass three or four despatches of that description of goods for which they are granted—as for the rest of the speculation in this paragraph of the Report, it is founded on a great misapprehension as to the difficulty of renewing a rowannah. There is no necessity, as the Report would lead it to be inferred, to apply to the custom house from whence the rowannah was taken out for any proof of the identity of [redacted] goods. They must have been imported into the limits of a custom house before the expiration of the rowannah or the holder forfeits his right to a renewal, and all that is necessary then is for the collector of the custom house within whose limits the goods are lodged, to satisfy himself from his import registers that they were regularly passed in. He then satisfies himself that the goods correspond with the particulars given in the rowannah proposed to be renewed, and that the quantity does not exceed that protected by the document in question—where doubts exist the whole despatch may be examined, but in general a very slight examination is made to prove identity. In practice indeed there is nothing more easy than to obtain an exchange rowannah.

45. If the customs department possessed the means of getting back every rowannah after the goods covered by it were consumed, it might then have some assurance, on occasions of renewals being applied for, that the identical goods for which the originals were granted were still in existence; and then there would be just ground for objecting to the half per cent. duty now levied. But rowannahs are never so surrendered, and as long as this is the case, merchants will necessarily have it in their power to obtain

exchange rowannahs whether the despatch covered by the originals be still on hand or not, for it is easy at all times to supply the place of the old goods with others of exactly the same description. The probability therefore is that in the generality of cases in which renewed rowannahs are applied for (especially in those of salt, sugar, saltpetre, alum, borax, &c., which, from their perishable nature, can seldom or never be kept for a whole year on hand) the goods pay no more than the half per cent. duty objected to, and it will be seen that if this were also given up, no duty whatever would in many cases be collected.

PAGE 15 Line 14. 46. This is not a very common case. People are no more careless of rowannahs than of bank notes. The objection made in the Report holds equally valid with respect to many papers on which men's whole fortunes depend. It necessarily attaches to protective *documents* of every description and is inseparable from their employment. In practice, if a fragment of a rowannah holds together sufficient to give assurance of its belonging to the goods it accompanies, the merchant finds no difficulty in getting it renewed. If lost it is a carelessness for which a man must suffer as for any other carelessness. If lost with the goods which it accompanies, then the question arises why were not the goods insured. It is no part of the duty of a Government to provide for such contingencies, but that of the merchant himself. It may be further remarked, that if a rowannah is lost, the revenue is likely to suffer from that circumstance as much as individuals, as the document may be found and made use of to protect a despatch of goods on which no duties whatever had been collected; and as a set off against such a very probable abuse it is fair that the party taking out a fresh rowannah in lieu of the one lost by him, should pay for the same.

PAGE 15 Line 36. 47. This is a great evil and a part of the machinery for collecting the transit duties which requires most careful attention to discover if any amendment is possible; but whatever objections may be urged against the existing rowannah system, the Report does not as yet shew how its place is to be sup-

plied by a better system. It is certain that if inland duties are to be collected at all, the payment of them ought to be certified, so that the merchant may be secured against a double payment on the one hand, and the revenue against an evasion of those duties on the other.

48. We do not perceive how a merchant paying duties at a western custom house is to get credit for them, or drawback on the goods being exported by sea, without the production of a rowannah from such custom house. Now the very existence of such a document imposes the necessity for examination and endorsements, and many of those checks which it is apparently the whole object of the proposed system to remove.

PAGE 15 Line 42. 49. It is scarcely fair to charge this as an objection to the inland transit duty system. That system contemplated separate officers as collectors of Government customs, and we entirely agree in the regret expressed by Mr. Trevelyan that their attention should ever be distracted by other avocations from duties perhaps as essential as any in the whole range of the public service to the welfare of the country and that of the State. We hear few complaints of delays or vexations in Calcutta because the collector is always at hand, and his time and experience is devoted exclusively to the duties of an appointment the public importance of which he justly estimates. The chief magistrate of Calcutta, and Captain Steel, told the writer of this note as a fact worthy of observation that of all the affrays and disputes which come before the police not one in their experience had ever apparently originated in a contention with the customs department through the operations of the customs system. The reason is sufficiently obvious, an appeal can be made in half an hour to the collector, and the appellant has no chance of finding that functionary engaged in more interesting business, or of learning that he is "out in the district making settlements." No two things could be devised so capable of rendering our inland customs system, even unobjectionable in itself, altogether an intolerable vexation and burthen to the country, as extending chokeys unnecessarily with undefined limits, and giving the collectors of

customs any occupation which could interfere with or afford them a pretext for the neglect of the dry and troublesome, but important duties belonging to those appointments.

PAGE 16 Line 20. 50. This ought never to be if a collector of customs attends to his office and knows his duty. We will be bound that no such delay occurs in the Calcutta custom house. If merchants apply for *more* rowannahs than are immediately required by them, they cannot justly charge the department for any delay which may ensue in their preparation. The officers are bound to suppose that for every rowannah a despatch of goods is forthcoming, and they are therefore obliged to proceed with every application according to priority of presentation, and to undergo the same labor in cases where goods are not in existence as in those where they are.

PAGE 16 Line 36. 51. This must be owing entirely to that prodigious extent of jurisdiction in the custom houses of the Western provinces which appears to us equally at variance with the principle of the customs regulations, and likely to produce precisely those consequences which Mr. Trevelyan charges against the system when they rather attach to the abuse of it. If a fair, equal in magnitude to Hurdwar, was held at Burdwan, the whole land-borne commerce from the frontiers of Madras to the Caramnassa and the Bhurampooter might now flow towards the scene of traffic without the challenge of a single custom house officer. But the result would be very different from those described by the Report as attaching to the transactions at Hurdwar. Those traders who had no design to take their purchased or exchanged goods to a great emporium would return quietly to their respective town and villages either east and west, as they might happen to lie, without the slightest chance of encountering a custom house chokey. Those again who desired to carry their goods by the river to a great mart as Calcutta, or Patna, or Moorshedabad, would proceed with their goods to Hooghly, and halting a mile or two from the collector's cutcherry, that is to say, at the boundary of his custom house jurisdiction, would go or send for a rowannah, pay their duties and carry their

despatches of goods to whatever mart they pleased. But to do this the trader must seek the custom house; the custom house does not seek him. The idea of the Hurdwar trader being liable to lose his goods by encountering any chance officer or informer is to us utterly incomprehensible, for we have always held that no seizure can be made but in the event of goods being attempted to be brought illicitly within, or passed illicitly out of the limits of a custom house, which limits ought every where to be drawn within the smallest possible circle—where local peculiarities are opposed to this concentration, there, we should say, our inland customs system is no longer applicable, but requires a thorough revision.

PAGE 17 Line 11. 52. The quotation from the committee's Report here does not, as it was doubtless intended to do by Mr. Trevelyan, give a correct idea of the changes they contemplated. The duties which were at that time existing, and which the committee intended to reduce to a single tax comprized—

1st. Customs and town duties payable on every article and at every station.

2d. Commission to Collectors.

3d. Stamps.

4th. Certain fees.

The "successive collections" were those in the ceded and conquered provinces, where the native system prevailed of subjecting goods to duties at every pergunnah, haut or village to which they were carried for sale. That the committee have completely succeeded in their aim in these respects, cannot be denied even by those who may be totally opposed to the collection of any duty whatever on the inland trade of the country.

PAGE 18 Line 33. 53. Although, as observed in the Report, five custom houses were established in Dehli in 1823, they did not

collect any duties on the trade passing through that territory which did not previously exist, so far from this the trade was relieved from a vast amount of duties to which it was liable previously to the adoption of the arrangement alluded to, while it enjoyed the further advantage, which it did not before, of having the rowannahs taken out in Dehli binding on all the other custom houses of the country.

PAGE 19 Line 27. 54. We should rather doubt this, even in the Western provinces, since there appears to have been one hundred and fifteen chokeys in Benares alone under the old system, besides a custom house in every zillah of the ceded and conquered provinces, the chokeys dependant upon which were numerous and widely spread. But take the list of the custom house chokey stations between the last or easternmost chokey at Ghazeepore and the first or westernmost of the Calcutta custom house. Here is a distance of about five hundred miles in which there may be said to be in reality no more than three examinations, viz. at Patna, at Moorshedabad, and at Hooghly.* For if the collectors of those custom houses were enabled to give their undivided attention to their important duties, boats ought to pass through the jurisdiction of each custom house in a few hours going through all necessary forms—Surely this part of the machinery of the inland customs, as far as the Lower provinces are concerned, in which say the committee of 1809, "The salutary principle is followed of placing "custom house establishments at few places with a very con- "fined range and only on the principal routes," cannot be considered as involving more vexations than the necessity for collecting a certain amount of revenue renders unavoidable.

PAGE 20 Line 24. 55. This statement is calculated greatly to mislead though of course unintentionally. Any one reading it would imagine that goods were liable to be stopped and searched sixty times on entering Calcutta. It might just as well be inferred that a cargo being landed in England had to undergo two thousand

* The stoppages at the custom house ought to be rigidly confined to the two boundary chokeys.

examinations because there were two thousand officers of the preventive service empowered to detain and examine all goods, "to stop and search every thing passing" stationed along the coasts of the channel. No where, notwithstanding the array of custom house officers so alarmingly set forth, are goods entering Calcutta by land liable to more than one stoppage. The case is a very simple one. The custom officers protect a circle and are stationed at certain distances from each other for that purpose, but, coming into Calcutta, pass one and all are passed. It would surely be no great wisdom to station all our chokey officers at one spot when the object is to prevent a particular line from being passed.

PAGE 20 Line 39. 56. The officers at Culna are strictly prohibited from searching any boat in passing. Their duties are confined by the most positive orders to preventing the entry or landing of any goods at that mart* without their being first covered by a rowannah. A full detail with respect to this particular chokey will be found in the 8th and 9th paragraph of some observations which accompanied a circular letter from this Board to the several commissioners of revenue and circuit, under date the 11th March 1833, copy of which we have the honor to submit herewith.

PAGE 21 Line 30. 57. There is surely some misapprehension here. The custom chokeys may very easily have been increased since 1809, and yet fall far short of the number in existence prior to that period. The interruption may still be considerable without being one-tenth part as great as it was when there were four custom houses and one hundred and fifteen chokeys in Benares alone, or when there was a custom house established in every zillah of the ceded and conquered provinces with its dependant chokeys widely spread.

PAGE 22 Line 18. 58. These chokeys are indispensable if the customs revenue is to be maintained at all. The idea of stopping

* Culna.

boats at the sudder ghaut only of a custom house is altogether untenable when submitted to examination. We beg on this point again to refer to our observations of the 11th March 1833, of which a copy accompanies these notes. Our views with respect to the boundary chokeys at the extreme limits of the city or mart are there fully developed, and we may add that the commissioners and officers of custom houses fully admitted that the boundary chokeys could not be dispensed with if the revenue was to be maintained.

Page 22 Line 24. 59. The Hooghly river chokeys have no jurisdiction on the rivers, and if they stop boats in mere passage, they do so without authority and at their peril—Their duty is simply to prevent boats loading or unloading goods within their respective jurisdictions unless the goods are properly protected. It is therefore difficult to conceive how hundreds of thousands of boats, as stated in the Report, could have been stopped without any of the parties complaining of the illegal detention. If the case should indeed have been as represented, it only marks still more strongly the character of the people, who, rather than complain in the least against their countrymen or against any one in power, will, as it thus appears, submit to any possible abuse of authority, and thence it becomes doubtful whether, under any *modification* whatever of the existing system, the evils now felt will be completely eradicated.

Page 23 Line 27. 60. Perhaps this might be remedied at the expence of a slight sacrifice of revenue so long as the foreign trade is trifling. But we think it right to explain that the restriction adverted to in the Report was imposed for two reasons: the first, because the people in our own territories are not allowed either to import from or to export to foreign vessels in the river any goods without being subjected to double duties on them, and it was held to be only fair and equitable that the inhabitants of the foreign settlements should in regard to their imports and exports have no advantage over our own subjects. The other reason for the restriction was, that, if it did not exist, foreign vessels might be able to

procure their export cargoes through the foreign settlements, and so escape the additional duties to which they are liable, when they receive their cargoes through the Calcutta custom house.

61. The exemption from stoppage and search opposite to Serampore as recommended in the Report exists already, and merchants have only to bestir themselves to obtain the full advantage of it, instead of leaving the matter as they now do entirely in the hands of the ghaut officers.

PAGE 24 Line 1. 62. The course of the great river and its marts (especially as it is admitted in the Report that much, the most important division of the trade of Bengal is its river-borne trade) naturally presented themselves as affording the requisite facilities for levying the inland customs revenue with the least vexation to the people generally, some forty millions of whom with all their traffic, as has been already observed, are never likely to come within a custom house limit. The whole argument appears to be about upon a par with one which should question the propriety of establishing a custom house at Liverpool, *because* the port was so favorably situated as to attract towards it a large share of the commerce of Great Britain. To place our chokeys where there was no commerce, or to use the words of the Report, where they would "produce comparatively little inconvenience" might be considered a very gratuitous incurment of expence without the chance of a return.

PAGE 25 Line 7. 63. The Report assumes that the inland system claims to levy a tax from every description of merchandize; So far however from this being really the case, Section 14 Regulation IX. of 1810, lays it down as a rule that collectors are not, on pain of heavy penalties, to levy transit duty on any goods which have not in the Regulations been specially declared liable to it.

PAGE 25 Line 37. 64. Commerce has not done this either in London, or Liverpool, or Bristol, or New York, or any other seat of a customs establishment; commerce in fact will always seek a

convenient mart if the duties be not so heavy as to keep her away. This however is another question, at all events the table we have submitted in the 13th remark of this note would not seem very completely to bear out the assumption in the Report. The amount in that paragraph is stated from returns from those very marts whence it has been assumed commerce has been banished by customs establishments. In illustration of our observation we deem it necessary to add simply, that in none of the undermentioned years did the expence of the customs establishment at Culna (one of the places alluded to in the Report) exceed rupees 2,148, while the collections were as follows:

In 1831-32	Rs.	12,014
In 1832-33	,,	22,632
In 1833-34	,,	19,610

PAGE 27 Line 27. 65. We entirely concur in the propriety of the suggestion that all new chokeys and their limits should be proclaimed before they are established, and that no addition or alteration in this respect should ever take place without the express sanction of Government; and it will we think be proper also to maintain, as a fixed rule, that all places not actually included in the limits of a custom house chokey, such limits to be defined and proclaimed, should be open to the passage of goods without any interference whatever on the part of custom house officers.

PAGE 27 Line 39. 66. However the localities of the Western provinces may differ from those of the Lower provinces, we do not think there is any foundation for the assumption that the existing system was framed by the finance committee solely in reference to the peculiar locality of the Lower provinces, as they in a marked manner advert in their Report to the system followed in Benares and in the ceded and conquered provinces, and recommended its being replaced by that proposed by them.

PAGE 29 Line 13. 67. We have so fully expressed our opinions with respect to the customs system in the Western provinces in

many communications to Government, that it is unnecessary to repeat them here. On the Delhi territory being brought within the operation of the customs system, no doubt the Meerut custom house should have been removed to Saharunpore. It is very difficult to believe that one line or even a double line on the Jumna will answer all purposes. The doubt which naturally suggests itself is, whether merchants knowing they have no further question to apprehend after passing that line, may not be even more disposed than at present to bribe or run their way through it. Now such a process is comparatively useless so long as they have a chance of falling in with other custom houses. It is true that those custom houses and their chokeys may, from the nature of the country in the Western provinces be avoided, but only at the cost of a delay and expenditure greater than the fair duty which the goods are liable to at the first custom house they reach.

PAGE 30 Line 8. 68. If this light toll was levied in every pergunnah, as stated at page 2 of the Report, it is not very easy to believe that it amounted in the aggregate to a trifling taxation. There were pretty nearly the same pretexts for delay as there are at present, different articles being charged with different rates the chokey officer might always contrive to *suspect* that some silk was hidden in a bag of cotton, or some shawls in a bale of piece goods, until convinced of the contrary by the civility money of the trader. To prevent such abuses in this country seems impossible while a custom duty is levied at all. Even in England the writer of this note was in 1813 stopped in the outskirts of London by a custom house officer, and had his trunk examined for half an hour, although exceedingly anxious to reach his home after a long absence in the Mediterranean, until by giving the officer five shillings he convinced him that there was nothing contraband in the box. On another occasion he paid one pound, and on a third two guineas to expedite the passing of his baggage. This is an English practice. What do the native custom house officers do more?

PAGE 30 Line 13. 69. The native system is again contrasted here with the existing system, but it is impossible to admit that

any system of taxation such as the native system is described to have been, which made no *distinction* whatever as to the value of goods, could have been advantageous to trade, or that under it the *description* of goods could have been seen at a glance, unless they were moved without being put up in any packages whatever; but as it must have been necessary for the preservation of goods that they should then as now be packed when moved either in bales, bags, or boxes, it was not likely that the contents of packages so made up could under the native system, any more than under the existing system, be known unless they were opened and examined, and such examination must then, as now, have furnished an excuse for detention and delay to the officers employed in making the collections. In what then consisted the advantage of the native over the existing system it is difficult to discover.

PAGE 30 Line 17. 70. There is a limit and a very material one, viz. in the period for examination being restricted by Section 23, Clause first, Regulation IX. of 1810.* It was a necessary consequence of the rowannah system that the document should be examined at any custom house through which it passed, for the purpose of ascertaining its correspondence with the goods under protection. We see no other method by which the system could have been rendered in the slightest degree efficient as an instrument for the collection of revenue.

PAGE 31 Line 9. 71. It is true as assumed in the Report, that under the existing system chokey officers cannot collect any duties, and that they now can only exercise the power of search, but this power is not of that general nature which is assumed in the Report. The chokey officers can only for instance stop goods when they are not accompanied by rowannahs—or when goods are found to be of one kind and the rowannahs specify another—as for instance, sugar attempted to be moved under rowannahs which are for saltpetre and so on. The chokey officers may also stop goods if they *suspect* them to be more in

* This limitation existed under Clause second, Section 14, Regulation XI. of 1801.

quantity or greater in *value* than those specified in the rowannahs which accompany them, but the particular examination for ascertaining whether they *really* are *more* or *better* than are specified in the rowannahs themselves is not left to the *discretion* of the *chokey* officers. The examination for determining these particulars must, as the words quoted from Clause first, Section 23, Regulation IX. of 1810, plainly shew, be conducted under the orders and in the presence of the collectors alone—that is by the officers of the cutcherry or sudder station, and not by the chokey officers.

Page 31 Line 11. 72. If Mr. Trevelyan means by the "old system" the system which prevailed immediately prior to the promulgation of Regulation IX. of 1810, he is under a material error with respect to its nature. By Section 14, Regulation XI. of 1804, the same powers as they exercise at present were vested in the darogahs of custom house chokeys in the ceded and conquered provinces. Clause first, Section 2, Regulation V. of 1802, and Clause first, Section 4 of the same Regulation, recognize a similar power of search in the chokey officers. It can hardly be said therefore that Regulation IX. of 1810, taking away the power of collection, *conferred* the "power of search "upon the officers of chokeys in its most unlimited extent."

73. But as we have already shewn, it is quite a mistake to suppose that it is left to the chokey officers to ascertain quantity and value. They must, however, stop goods when they differ entirely from the rowannahs produced for them; and as in these cases the goods are absolutely forfeited to Government, it can be of little consequence to the owners to what distance they may be forwarded for the final orders of the collector, for it is not incumbent on them to attend unless they intend to dispute the validity of the seizure.

Page 31 Line 13. 74. This is a considerable error, if, as we infer from the whole context, that by the word "before," Mr. Trevelyan means to indicate the period prior to the passing of Regulation IX. of 1810, which Regulation he says conferred *new* powers on the

darogahs, &c. By Section 17, Regulation XI. of 1801, custom duties were declared to be leviable upon the value of the articles chargeable with duty, and it was prescribed as at present that the durkhaust or merchant's application should shew the value which should also as at present be exhibited in the rowannah, and with that value the goods were expected to correspond on examination. In fact the rules, beyond prescribing the details of custom house management, were very little altered by Regulation IX. of 1810, as may be readily seen by a comparison of that enactment with those in force at the time it was prepared. As far as the chokey officers are concerned, it limits and defines their powers which were before vague and not prescribed by the law so particularly as at present.

PAGE 31 Line 24. 75. We can only again ask, why is the collector a hundred miles off? He ought to be at the furthest within four miles of every one of his chokeys. It would be easy to say of the Pantheon or the Parthenon, here is a wretched and imperfect edifice! if, instead of following the design of the architect, pillars and pillasters, dome, portico, frieze, cornice, and entablature had all been omitted, and four roofless walls allowed to stand for the buildings as originally planned.

PAGE 31 Line 36. 76. This is quite a mistake—neither the chokey officer or even the collector of customs is vested with the discretion here assumed to belong to them. The valuation affixed to goods at the custom house where the rowannah is taken out binds all others (vide clause third Section 15 Regulation IX. of 1810), and the chokey darogah has precisely as much to do with that valuation, and no more, as he had under Regulation XI. of 1801, which directed the officers of custom houses to ascertain whether the goods corresponded with the rowannah—that rowannah specifying value as well as quantity and description of goods.

77. As under the native system the duty is stated in the Report to have been taken according to weight or quantity, or as more strongly expressed, "on the ox or hackery load," it was not

of course necessary to know or ascertain the value of any despatch of goods. This however is rendered necessary by the existing system, for although the valuation of one custom house is binding on another, still collectors under Clause first, Section 23, Regulation IX. of 1810, are bound to see that a rowannah purporting to cover goods of the value of ten rupees is not made use of to pass goods the value of a thousand.

PAGE 33 Line 32. 78. All this is in the main, it is to be presumed, tolerably correct. But it is very much to be doubted whether Mr. Siddons would directly recommend the relinquishment of the power of search and examination, rude as the process seems—It is very analogous to the same sort of proceeding in more civilized countries. What is the search of baggage in England? A custom house officer looks into your trunks. If he gets a douceur he makes it a matter of mere form. If he does not, he tosses a few of the articles they contain into disorder and then makes his chalk mark to "pass" on the lid of the trunk—still no one will deny the use of this search; a man would be cautious in putting a new shawl or a piece of French velvet into his trunk, for careless as the examination is detection might take place. So in our examinations here; they are rude and careless, but just sufficient perhaps to make the merchant pay his duties and take out his rowannahs rather than risk encountering a keener quest than ordinary or paying highly to avoid it. Take away the power of search, nominal as it is, and let it be conjectured how long the customs revenue would pay for the maintenance, even of the departmental officers.

PAGE 34 Line 25. 79. By the very result it seems to operate as it was intended, else why do merchants take rowannahs at all. Is the power of search to be relinquished on the line of the Jumna? And is a man to be allowed to pass bags of salt because he says they are bags of sugar? Yet the whole of this argument shewing the uselessness of search is precisely as applicable to a set of chokeys between Badshah Mehal and Allahabad, as to any other line. We must never forget one thing; viz. that, rude as

the search may be, no merchant would have the audacity to bring down a boat full of bales of shawls under a rowannah granted for bags of sugar.

PAGE 35 Line 2. 80. We fear that this is pretty much the case in all custom houses and in all countries. "Civility money" is a term as well understood in England as in India; and tide waiters of His Majesty's custom houses, no less than gatherers of His Majesty's assessed taxes, are not invariably above the acceptance of little presents of game, wine, fruit, &c. which the less refined Bengally does not scruple to receive the value of in a coarser mode.

81. The Report here as elsewhere assumes, that the chokey officers are at liberty at any time to satisfy themselves that goods are neither *more* nor *other* nor *greater* in value, than those specified in rowannahs—that in short, they can turn out the cargoes of boats for *weighment, counting* or *valuation* without the specific orders of the collectors to whom they may be subordinate; but we have already shewn that no such discretion is vested in the chokey officers—neither can they on their *own responsibility* resort in any instance to such extended and minute examination. It appears to us that the *mistake* on this point, more than on any other, has *led* to the unfavorable views entertained by Mr. Trevelyan of the existing system.

PAGE 35 Line 32. 82. We doubt whether this would be a common occurrence if custom collectors were, as they ought to be, close to their chokeys, and not distracted from the duties of their custom houses by others more interesting, as well as holding out greater prospects of honor and advancement. It would indeed make some confusion even in England if the head of the Bristol customs house lived at Cheltenham, and it may reasonably be doubted if, under such circumstances, the subordinate officers would either be very abstinent in the use of authority or very honest.

PAGE 35 Line 36. 83. The period of detention is prescribed by law, but if an aggrieved person is to seek a collector at the

distance of a hundred miles from the ghaut where his boat is detained, there is certainly no limit to which the chokey officers may not carry their vexations.

PAGE 86 Line 2. 84. Only in the event of non-correspondence being proved—but this non-correspondence it rests entirely with the merchant himself to prevent, by specifying his goods correctly in his application for a rowannah, or, if the rowannah should be in his possession, by not taking up other goods than those for which the rowannah was granted.

PAGE 86 Line 24. 85. There certainly is only one reason which at all justifies their detention, and that is the necessity for realizing a certain amount of public revenue. It is certainly a great evil and only to be weighed against other evils which might arise from want of the revenue.

86. Although there cannot be a doubt that merchants suffer very seriously from the operation of the existing transit duty system, yet we are not aware, nor do the records of our office shew that it is, as assumed in the Report, "a common subject of complaint that a number of valuable cargoes are lost every year by the necessity of bringing to at such a variety of places, (meaning our custom chokeys) during the freshes." No complaint of this nature has been preferred to our Board though it has been in existence now nearly sixteen years, and it is not likely that if such losses had been commonly sustained through the intervention of our chokeys, the parties would have omitted to seek for compensation either directly, or through the medium of a court of justice, or would have remained altogether silent.

87. With regard to the sums stated to be paid to the officers of chokeys to procure relief from the full operation of the existing rules, it may be worth while to enquire whether there is any public department in India entirely free from this abuse. The moral character of the natives must be entirely changed before

this propensity of theirs to make the most of their situations can be corrected. The very peons, employed to distribute newspapers and auction catalogues, are known to make a profit beyond the regular emolument of their calling, and they are essentially the class of people, whom we are obliged to make use of in carrying on the principal part of the details of our chokeys.

Page 37 Line 16. 88. The value of this timber was probably 5,000 rupees, and assuming that the sums said to have been paid by Dunput Burdar are accurately stated, which there may be reason to doubt,* the "civility money" was one per cent. on the value of the cargo. So much lost to the State no doubt, but no more lost to the merchant than if he had had to pay eleven instead of ten per cent. which by the timber seeking the mart of Calcutta, it is to be presumed, the speculation could bear. These exactions are of course wholly indefensible, but we imagine the State to be the chief sufferer and not the trade. They are well known, and set down as so much chargeable upon the despatch of goods, precisely as if they were regular collections.

Page 37 Line 37. 89. Here again is the want of a customs collector in his proper place, since no man would dare to detain a boat several days, if the collector's cutcherry was within half an hour's walk of the ghaut, and he were himself present at it.

Page 38 Line 13. 90. The inland chokeys should not be kept up one hour beyond the date when it is possible to dispense with the revenue raised through a system of which they are an essential part, or one hour beyond the date on which it can be proved that they can be dispensed with, and yet the same amount of revenue be realized from customs on the sea-borne trade or from any other source, or one hour beyond the period when reductions

* We know instances of individuals employed to collect goods for others, charging in their accounts various sums as paid to the customs department, which in fact were never paid, and which were obtained from their employers as so much profit to themselves. Dunput Burdar may have used the same expedient to receive from Mr. Hutry the money which he entered in his account, as disbursements made to the chokey officers.

can be effected in the public expenditure sufficient to warrant a relinquishment of the inland customs revenue. No one doubts the vexations and evils which the collection of this revenue necessarily involves. The only doubts are, first whether those have not been considerably exaggerated, and next whether it is possible to substitute any other scheme which should ensure the collection of the same amount with less public inconvenience.

PAGE 38 Line 25. 91. Mr. Parker was somewhat hasty in denominating the inland customs revenue, though its collection involves vast evils, "a trade *destroying* tax," when it appears that after the passing of the enactment under which it is now collected the inland trade more than doubled itself.

PAGE 38 Line 37. 92. The Report assumes that chokeys are maintained "solely for the purpose of searching goods;" but this is not exactly the case. They have two distinct functions, one to stop goods unaccompanied by rowannahs, and the other to see that goods when accompanied by rowannahs are of the description specified in those documents. It would certainly be a waste of the public money to maintain chokeys and yet not to find them full employment, and it is only by directing their attention to the two objects specified that an annual revenue of nearly half a crore of rupees is now secured from the inland trade of the country. Let but the experiment be tried of having only custom houses without the aid as at present of dependant chokeys, and we confidently predict that not ten lacs of rupees will be realized from that source.

PAGE 39 Line 23. 93. One of these, that of Bairub Chunder Moteeloll, which enters most fully into particulars, is written by a man who afterwards turned out so unprincipled a rogue, that it is difficult to give any credit to his statement, which may have been drawn up with a hope that he should be employed as an approver. There is nothing incredible in his report, but the behaviour of Bairub Chunder Moteeloll was subsequently such as necessarily to throw a suspicion on every thing proceeding from

him. He died while under prosecution by the Salt Department for a fraud and breach of trust.

PAGE 39 Line 31. 94. The complaints here adverted to, are more against the opium than against the customs chokey officers—and they only go to prove, if unhappily any fresh proof was necessary, that it is not in the customs department alone the native officers abuse the authority vested in them, and that the abuses described, can only be corrected by a complete change as before observed. being effected in the moral character of the people.

PAGE 40 Line 1. 95. The little good-will which exists between the people and the excise or custom house officer in all countries, must not be lost sight of in estimating the real extent and grievance from the inland transit duty system in India. If our whole system was as perfect as that of Great Britain, it may reasonably be doubted whether the officers would be one iota more popular* or less vituperated. In fact the excise officer all over the world is a marked object of popular aversion, and it were unreasonable to expect that he should not be so in India.

96. The evils, to which our present chokey system is stated in the Report to give rise, may, without injustice or exaggeration, be traced almost exclusively to the supine character of the people who look to Government for every thing, and will do nothing themselves to prevent the laws from being abused or arbitrarily applied.

PAGE 40 Line 18. 97. The letter from Mr. J. Marshman, referred to in the Appendix of the Report, is certainly very much against our chokey durogahs; but he in it argues apparently rather for an increase, than a decrease in the number of the existing inland

* The opinion however at this part of Mr. Trevelyan's Report is rather at variance with that at page 140-141, where the author says, "owing to the habits of constant "communication between the regular custom house officers and the merchants, a "kind of sympathy subsists between them; but the police and land revenue offi-"cers are held in special aversion by the native mercantile community."

custom houses, and in this respect his views are opposed to those maintained in the Report.

PAGE 40 Line 21. 98. An error—a considerable allowance is made for the use and convenience of individuals by an order of Government, dated 21st August 1821, under which the quantity of new articles which may be in possession of every individual without liability to question was defined. The restrictions are far from narrow when any article likely to be in the possession of an individual for his own use, and not as merchandize, is concerned. Ten seers of sugar candy, twenty seers of jaggry, twenty seers of oil seeds, five rupees worth of piece goods, ten seers of grain, ten seers of ghee, and one maund of fire-wood, are surely no stinted allowances for native travellers during their mere transit across our chokey limits; still perhaps it would have been better to leave the quantities undefined, as in the Regulation. But it may be observed, the chokey officers will pay no regard to the Regulation or to the order of Government; although they see that the party has nothing which he is not justified in carrying about unquestioned, the chokey officer will not the more on that account let him pass. Here is the evil of the customs system. It is the evil which besets and cankers the whole system of our Indian administration. It is the irremediable evil of the people not helping Government in its efforts for their good. When the people will not assist the laws, the power of all the Governments on earth effectually to enforce them must be an illusion. Can any one for a moment doubt that similar extortions would be practised by the custom house officers both in England and America, if the people would submit to them? Can any one doubt that such abuses are most prevalent in those very Governments where it might be supposed that the unlimited power of the executive, presuming it to be exerted honestly and with a view to the general good, would prove an insurmountable barrier to their existence? No vigor, no authority in the executive can supply that mighty power which the laws possess, when, and *only* when, they are understood and maintained by each individual in his own person. Without this the most excellent code is but so

much waste paper, and the power of any Government for good, whatever it may be for evil, as the force of an infant compared with the force of a great steam engine. Then it may be urged, why continue the inland customs system which affords an opening for such abuses? We fear that the same question might be asked with respect to every other branch of the system under which the public revenue of the country is realized, as well as with respect to the administration of justice and the system of police. It is a question which may have been asked in this country for the past two thousand years, and invariably replied to as it must be now. "We have no option between this state of "things, bad as it is, and a total disorganization of the whole "frame of society, involving even greater evils." This mournful reply must continue to be as true as it is afflicting to all well wishers to the country, until the people learn the mighty secret that, neither the bowstring nor the sabre of their old masters, nor the paper denunciations against evil doers of more enlightened rulers, can preserve them from the vexations and oppressions of the petty satellites of the State, unless they help themselves. From the moment they feel the meaning of the celebrated apothegm "aide toi, et le ciel t'aidera," the Government of the day need give itself very little trouble concerning the vexations of inland transit duty systems, or those of any other system, which are now rendered mischievous in practice, however unobjectionable they may be in intention, simply by the foolish submission of the people to the proceedings, however arbitrary or illegal, of the most petty native officer. In the mean time, however, it is doubtless our obvious duty to decrease those evils to the very utmost of our power.

PAGE 40 Line 20. 99. But why does he *not* think of a rowannah? It would be a dangerous precedent to admit the plea of ignorance of the law. It seems a very hard case here in India, but the Board of Excise in England would be somewhat surprized *if* a man were to plead in extenuation of not taking out a permit, that he was not going to traffic with the six dozens of wine in his cart. It was merely a half year's supply for the use of his family.

What fairness would it be towards the honest trader who had paid his duties, and depended for their recovery on the sale of his goods, to allow any one who chose to carry about a large quantity of dutiable articles under pretext, (say that the assertion was a true one,) that they were for family consumption.

PAGE 41 Line 23. 100. These circumstances were no doubt stated to the officers in question. But we are not now to learn how little dependence is to be placed on the loose, not to say exaggerated, assertions of native evidence; surely it would have been cheaper for these men to have bought the cloths at the places to which they were going. In the last case adduced, it is impossible to conceive what chokeys he could have fallen in with going by land, (except police thannahs) until he came to the station of Cawnpore itself, and then he ought only to have had to pass one chokey on entering into the limits of the custom house,—all these depositions, made perhaps under an impression which natives are quick enough in acting upon as to the *leaning*, the *opinion*, on the subject of inland transit duties of the officer to whom they are given, must be very cautiously received. They are probably not altogether unfounded, but the chances are that they are greatly exaggerated.

PAGE 41 Line 32. 101. In the case here mentioned, the collector must have very ill understood the Regulations to have permitted the scrutiny, stated to have taken place, for new pieces of cloth are alone liable to transit duty—but *clothes*, that is *wearing apparel*, such as the women's clothes here consisted of, are not—and if the party aggrieved had contested the demand he would, provided he had no new pieces of cloth in his boat, have succeeded under Section 14 Regulation IX. of 1810, in recovering damages from the collector.

PAGE 41 Line 40. 102. This is especially curious, "one hide" being specified in the Government orders of the 21st August 1821, as allowed to pass without question. If collectors, whose names are designated by a dash, are ignorant of their duty, is this

to be charged against the system? The notification of Government, dated 21st August 1821, was promulgated, and sent to every custom house in the country. It is easy to be imagined that, as asserted by Mr. Trevelyan's correspondent, "There is nothing in Prussia to be compared to it," because it is probable that in Prussia collectors of customs are brought up to their business, and that they have only their custom houses to attend to. The hide in this case is stated to have been purchased in the bazar, and unless the bazar was outside of the custom house limits, and the hide intended to be carried *into* the limits, it did not require the protection of a rowannah, for there is no authority in the Regulations to subject goods to duty when sold in bazars established within the limits of custom houses.

Page 42 Line 21. 103. If the gentleman to whom this letter was addressed had ever landed at Dover or New York, he would have found the new wearing apparel, although for private use and not for sale, was held liable to duty. But in this case the custom master, by whom the letter alluded to was written, could not have read the Regulations correctly, or he would never have fallen into the mistake of supposing that "wearing apparel," if new, is subject to transit duty. He is also in error in supposing that the articles, which are allowed to pass free under a list sanctioned for that purpose by Government, can only obtain that indulgence if the articles are not *new*. The indulgence on the contrary is regulated by the rank of the parties, and quantity and value alone must be looked to, not whether the articles are new or old.

Page 44 Line 31. 104. There can be no doubt of this if it is possible to maintain the revenue without it, or if the amount of revenue can be dispensed with. In either case, if the thousandth part of the evils charged to the inland transit duty system be true, it ought to be instantly relinquished.

Page 46 Line 22. 105. The Report assumes that under the plan contemplated of establishing a regular communication by means of steam boats with the Upper provinces, those boats will

become privileged conveyances for goods unless the chokey system be previously abolished. The steam boats, however, will, it appears, be in the service of Government, and it will be easy therefore, under proper instructions to the officers in charge of them, to prevent the embarkation without proper passes of any goods which may be liable to the charge of duties.

PAGE 45 Line 28. 106. Not applicable to Bengal. It must be a man's own choice if he selects a custom chokey for his place of passing the Puddah or the Hooghly, or any other river in the Lower provinces, where there are no fords or natural ghauts to which the passenger is compelled to resort.

PAGE 46 Line 11. 107. Except that a capitation tax would in Bengal, Behar, and Orissa interfere with about forty millions of people, not one hundredth part of whom in all probability now know that such a law as the customs law is in existence.

PAGE 46 Line 21. 108. Without subjecting goods to search, whether they be liable to duty or not, it is plain that *dutiable* goods would be passed off at chokeys as *free* goods, or as those which had originally been imported by sea. If the Regulations really intended, as assumed in the Report, that *sea imported* goods should pass unheeded through our inland chokeys they would not, it is natural to suppose, have required those goods to be protected by Maaffee rowannahs. Now as rowannahs in any case are issued only for the purpose of being exhibited at the chokeys, and for enabling the chokey officers to see that no other goods, but those described in them, are in transit, it is obvious that sea imported goods could not escape the application of this general principle when carried under Maaffee rowannahs into the Mofussil.

PAGE 47 Line 14. 109. Mr. Siddons has shewn the necessity of this measure in the preceding paragraph of the Report.

PAGE 47 Line 27. 110. A very singular process has been adopted in arguing the demerits of our inland transit duty system—one that

deserves especial attention. It is declared to be vexatious, annoying, oppressive, and that every one would be glad if it were done away with. But the question is, is it more vexatious, more annoying, more oppressive than the customs or excise systems (for it partakes of the nature of the latter) in other countries? All taxes are evils, and, it is to be presumed, only lesser evils than those which they enable the State to avert. Where is the custom house, or where the custom system which gives entire satisfaction to the merchant or the traveller? No man is so enamoured of duties, and the forms necessary to secure them, as to prefer paying them if he can avoid doing so. If our system is worse than others, it is chiefly because the instruments we are compelled to employ are worse. Yet who are they? not strangers or foreigners, but the fellow countrymen of the very people they are said so cruelly to vex and oppress; still such is our position that we can employ no others. Dismissals or even severer punishments are useless—the successor of the delinquent is not one atom more trustworthy, nor does he possess one particle more of honest feeling than his predecessor.

Page 47 Line 33. 111. It will be seen from Sections 22 and 27, Regulation IX. of 1810, that the *particular examination* required by the rules, for ascertaining the identity of Country goods when covered by rowannahs, is not necessary for imported goods covered by Maaffee rowannahs. With regard to the latter, all that is requisite is to see that they are the *sort* of goods for which the Maaffee rowannah is produced—no examination in these cases being called for to ascertain *quantity* and *value*.

Page 47 Line 38. 112. The Report assumes that the issue of Maaffee rowannahs yields a perquisite only to the writers employed to prepare them, and that the Government derive no benefit whatever from the tax levied on those rowannahs; but we find that in the year 1831-32 the Maaffee rowannahs yielded to the public treasury rupees 41,194-10-6, in 1832-33 the amount was rupees 42,028-14, and in 1833-34 it was rupees 35,116-15.

PAGE 48 Line 38. 113. In the case alluded to which was that of some goods said to have been imported by sea and intended to be passed at Colvin's ghaut, every facility would have been experienced if the parties had only in the first instance described the contents of their boxes; but they omitted to do so, and still expected them to be passed without question and without examination, though they might have contained goods liable to the payment of transit duties. They could not of course have their wishes complied with—and rather than do what was requisite and save themselves trouble, they took their boxes away. The inconvenience in this case was occasioned (as is shewn) by the parties themselves, and they had no right afterwards to complain of the system. This is a case of such constant recurrence that we have addressed the Chamber of Commerce, complaining how much we are embarrassed by the ignorance shewn even by persons who ought to be most conversant with our custom laws, and which would not for a moment be admited as an excuse in England in the event of parties suffering from that ignorance.

PAGE 49 Line 17. 114. If goods can only be landed on the Ganges at particular ghauts, there could be and can be no necessity for a vexatious search by numerous chokeys on the river. They ought to be confined as the Hooghly river chokeys are, to preventing the landing or embarkation of goods not protected by a proper custom house pass. This point was fully discussed in our letter to Government of the 17th October 1832,* copy of which we forward herewith for ready reference. It should also be kept in mind that it is by means only of the *inland chokeys*, that the trade in *Country* goods can be conducted on any thing like an equal footing with *imported* goods—place these last above the controul of our inland chokeys, and our manufactures, already depressed by higher rates of duty than those chargeable on imported goods, will no longer be able to compete with them under the increased facility with which they will then admit of being offered every where for sale—while on the other hand the only

* Vide Appendix B.

effectual security we now possess for collecting the inland duties will then be lost, as it would of course be impossible to prevent Country goods from being then passed under Maaffee rowannahs as imported goods.

PAGE 49 Line 25. 115. The simple question here is how can a custom house officer know by intuition that a certain bale or chest does contain foreign goods. They may be filled with Country goods liable to duty falsely covered by an old Maaffee rowannah, especially as the currency of a Maaffee rowannah never terminates, it being available at the end of four years if the paper will last so long, full as much as the day it was issued.

PAGE 50 Line 11. 116. There is the same tone of exaggeration unintentional no doubt, but still a tone of excessive exaggeration throughout this Report, which seems more a pleading against a system than a calm examination of its merits and demerits. It is assuredly *not* the fact as we have shewn. It is *impossible* to be the fact that the "universal power of search and "detention constitutes an universal tax upon *every person* "and *every thing* which moves from place to place in the "country."

117. For instance under Section 14, Regulation IX. of 1810, no inland duty can be demanded on goods not expressly declared liable to that tax in the existing Regulations, and goods not so enumerated, cannot, of course, be stopped in transit except merely to ascertain what they actually are. Of this class of goods the number is perhaps as great as the number declared liable to the tax—and any one may satisfy himself of the fact by only comparing the enumerated articles with those he meets with in the bazars, or in actual use, or with merchants.

PAGE 50 Line 25. 118. This has been admitted on all hands, long before the able and benevolent author of the Report ever heard of the system of which he is now so formidable an assailant.

PAGE 50 Line 41. 119. It is assumed in the Report that the tax on Maaffee rowannahs is levied not as revenue, but as a charge to cover the expense of the establishment kept to prepare them; but the Regulation distinctly declares that one part of the tax is to be collected as *duty*, and whatever is taken from the people under this *term* is accountable as revenue. No separate establishment is maintained on account of Maaffee rowannahs; the same writers who prepare the rowannahs for *Country goods* prepare also the Maaffee rowannahs, or those required for *imported* goods; and the total expense of all the rowannah writers employed in the custom houses of Calcutta, Chittagong, and Balasore, where alone the Maaffee rowannahs can be procured, do not amount to the average annual receipts stated in the Report to be derived from the issue of those rowannahs.

PAGE 51 Line 7. 120. The Maaffee rowannah system might be abolished; but how would this remedy the evil complained of? examinations would still be necessary for the purpose of ascertaining that the goods in transit were not of a description liable to duty.

PAGE 51 Line 19. 121. The pay of an officer in charge of a chokey though stated to be at only seven rupees per mensem at Meerut is not so elsewhere. The ordinary rate of pay to this class of officers, especially in the Lower provinces, is at from twelve to fifteen rupees per mensem. Stationery is always supplied them at the expense of Government; and it must be owing to neglect or oversight on the part of the collector of Meerut himself that stationery is not in like manner supplied to the chokey officers under him.

PAGE 52 Line 2. 122. The collector of Meerut appears to think that inadequacy of salary to the chokey officers is the sole cause of the inland system not working well. In this he is opposed to Mr. Trevelyan; who, on the contrary, thinks that the system can never work well, because it vests the chokey officers with unlimited powers of search. But Mr. Smith, as we have shewn,

argues only from the scale of allowances fixed for the Meerut custom house, which are not those of every other custom house; and with regard to the powers of search, we do not know how they are to be dispensed with, if any inland duties at all are retained.

PAGE 52 Line 21. 123. As a general rule, the chokey officers are not required to furnish security, as they are not entrusted with the charge of public money, or with public accounts. Security may of course be demanded by collectors from those officers, but there is no absolute necessity for it.

PAGE 52 Line 26. 124. No officer of any description whatever is employed in the customs department without a *regular salary*—whether the salary be sufficient or not is quite another question.

PAGE 53 Line 6. 125. It is assumed in the Report that respectable persons will not accept of employment in the customs department, because no profit can be derived from it except by the most disgraceful practices—but profit may be derived without any sacrifice of character or of principle, even in this department; and that is, by seizing contraband goods, when the rewards which the Regulations hold out are quite sufficient to compensate the seizers for their exertions.

PAGE 54 Line 18. 126. If, as observed in the Report, the *lowest class* of appointments in the customs department bear a high saleable price, it is to be feared that were the appointments to be improved by higher salaries the salcable price for them would be increased in proportion. We are not aware how this abuse is to be corrected; for it is scarcely to be expected that those paying or those receiving will ever acknowledge the fact; especially in those cases where the appointments are actually procured by a certain payment.

PAGE 55 Line 8. 127. We greatly fear that the whole of this argument is applicable with equal force to every description of

subordinate native functionary, and not to the custom house officers alone; nor does it strike us that the remedy generally proposed will either be so easy of application, or so certain in its effects, as appears to be imagined. There was no want of high emolument amongst the great officers of the Mogul empire, or those of the Mahratta sovereignties: yet in the whole history of the world it is impossible to discover more flagrant instances of cupidity, oppression and rapacity, than those they were in the daily practice of, as mere matters of course. It is, we think, most doubtful whether any amount of salary would restrain people so wholly devoid of what we understand by the word honor, as the natives of India, speaking generally, and so entirely independant of public opinion; which indeed may point to extortion or bribery as vexations to the sufferers, but not as at all reflecting on the character of the individual by whom they are practised. Until therefore the moral feelings of the natives and their habits of thought are greatly changed—until in short a man is afraid of losing his place for dishonest or oppressive conduct, not merely because his dismissal would entail loss, but because it would also disgrace him in public opinion, we cannot but feel apprehensive that no reasonable, no fair or equitable amount of remuneration, would have the effect contemplated by the Report. This it may be said requires to be put to the proof; but we submit that it is already proved by the history of India and by that of all Asia, and of those countries in Europe where public opinion is not influential.

Page 55 Line 13. 128. If rewards for seizing contraband goods, if pensions when disabled for further active service, do not supply motives for good conduct to the custom house officers, we do not know what else can.

Page 55 Line 26. 129. Although pains and expense have not, it is admitted, been spared to improve the situation of the native officers in the judicial line, still the newspapers have contained more complaints against those officers than against any other native officers in the service of Government; and the fact goes to prove, what we have before stated, that a native officer is seldom

or never contented with his *authorized* allowances or emoluments, and that he will, if he can, add to them by improper means.

PAGE 55 Line 29. 130. In this we entirely concur ; and a vast portion of the mischief, charged to the system, has beyond doubt proceeded from its inefficient administration, or rather the impossibility of officers doing justice to it whose attention is distracted by duties apparently more important and certainly more pressing. It is but recently we have had to bring to the notice of Government an instance in which a collector of customs and land revenue was appointed a magistrate ; the cutcherry of the magistracy being about nine miles from the custom house. It is scarcely necessary to point out that many of the evils, charged against the system, must inevitably arise from arrangements of the above description—a man will put up with much vexation before he will proceed nine miles to lodge a complaint.

PAGE 56 Line 20. 131. Surely it will not be said that this is contemplated by the inland transit duty system as established by law ; but the evil has been corrected by the payment of the European officers by salary instead of commission. Under the commission system, it was natural for each officer to endeavor to obtain the preference in applications for rowannahs and the payment of the prescribed duties.

PAGE 56 Line 42. 132. We have, as Government are aware, always protested against this interpretation of the law, which we have no where recognized in the Lower provinces. The plain question to us appears to be this—the chokey jurisdiction is restricted to certain narrow limits—the custom house officers have no authority beyond those limits,—no officer but a custom house officer has authority to detain, or examine, or attach goods in transit. How then are goods to be seized unless they attempt to pass in to, or out of the chokey limits without a proper protective document? We have construed Regulation IX. of 1810, in the mode prescribed by Section 19, Regulation XLI. of 1793, one part by another, so that the whole may stand, and on this

principle we have never recognized so contradictory a provision as that quoted in Mr. Trevelyan's Report. With respect even to salt in the Western provinces, for which special rules are established by Section 18, Regulation IX. of 1810, especially clause third of that Section, we have, as Government are aware, maintained that it could not be attached unless attempted to be brought within a customs jurisdiction,*—not because it is not seizable in any part of the ceded and conquered provinces, or the province of Benares, but because there are no officers, excepting customs officers, legally qualified to attach goods at all, and they can only attach within the limits of their own custom house jurisdiction. This may be a very good reason for vesting the power of attachment in other officers of revenue or police; but it must always be borne in mind that this necessarily involves the power of detention and search, which is the great ground of complaint against the whole customs system.

Page 57 Line 2. 133. This may be necessary in the Western provinces, but it appears to us to be at complete variance with the whole spirit of the customs laws, and cannot but be liable to great abuse. A patrol on a defined line may do comparatively little injury, on the contrary they are there in their proper place and cannot be too vigilant; but a patrol ranging the whole country must be an unbearable vexation and most injurious to trade.

Page 57 Line 14. 134. Again, we beg to remark that, this is entirely inapplicable to the practice of the Lower provinces. For many thousands of square miles throughout Bengal, Behar, and Orissa, the villager with his buffaloe load of oil seed or sugar is no more liable to question from a custom house officer than if he were in the Nicobar islands.

* To enable the custom house officers in the ceded and conquered provinces to seize salt wherever found in transit, unprotected by rowannahs, the local authorities make use of patrolling chokeys, and in this way the difficulty of seizing the article, except when in transit through a particular chokey, is got rid of; but we have always doubted the legality of this method of disposing of the question, it is a mere cutting of the knot.

PAGE 57 Line 22. 135. If goods, which have been detained by a chokey officer, are not sent *immediately* to the sudder officer, how is the collector to know whether the seizure was legal or not, and what penalty should be imposed? We think the practice to be necessary; but still the evil must be enormous, when the chokeys are, as in the Western provinces, remote from the custom-house.

PAGE 58 and 59.
PAGE 58 Line 35.
PAGE 59 Line 8.
PAGE 59 Line 25. 136. This describes a state of things which, if accurately detailed, must be an unbearable nuisance.

PAGE 60 Line 33. 137. This Board has never been able to recognize an interpretation which is clearly at variance with the whole tenor and object of the law, and which, it is sufficiently obvious, could only lead to the greatest vexation and occasion the greatest injury to commerce. The words of the section, here referred to, should be taken into consideration with reference to the whole spirit of Regulation IX. of 1810, the object of which throughout appears to be to guard against goods passing *into* as well as *out* of the limits of chokeys without the payment of duties and the protection of rowannahs. The words "or be otherwise found in transit" contained in that enactment, and which are interpreted to warrant the seizure of goods *any where* and *every where*, can only we think mean that goods cannot be passed from within to without, any more than, as the law explicitly declares, they can be passed from without to *within* the limits of a chokey. It is possible also that the enactment had in view a remedy against goods attempting to find a way into a mart by roads unguarded by chokey officers, though really intersecting the line of the customs jurisdiction. But indisputably the law is not calculated for a state of things when extensive tracts of country, and not principal marts only, are attempted to be surrounded by chokeys, an attempt which, we imagine, must generally fail.

PAGE 62 Line 35. 138. There is no disputing the fact of which we have always expressed more than a doubt; viz. that the same

40555

customs system in all its details is wholly unsuitable to the two great divisions into which this presidency is, partly by nature and partly by political circumstances, separated.

PAGE 63 Line 13. 139. The patrols were established for the protection of the salt revenue, but it is greatly to be deplored that there appeared any strong reasons against confining their beat closely to the line over which that article crosses on its entering our territories. In the heart of the Doab the patrol must have inflicted much and useless vexation. The only question is, whether any system on a single line, though supported and checked by a patrol, can be relied upon for the protection of a revenue realized as that on salt is, by a tax of about three hundred per cent. on the value of the article. A failure in honesty or vigilance at one point, and the whole system breaks down; still it is worth trying rather than that the state of things should continue, which is described as existing in the Western provinces.

PAGE 64 Line 7. 140. We fear that there is much error in this view of the case: as long as one article is liable to duty, the interference of the patrolling or chokey officers cannot be restricted,—who is to tell that a hackery or boat, said to contain duty free goods, is not laden with salt, or one of the great staples to which the demands of Government for duty are to be limited?

PAGE 65 Line 40. 141. This might reduce business at the custom houses, because there would be fewer rowannahs to be prepared, fewer accounts to be kept, and fewer calculations to be made; but it would by no means diminish the great evil of search, which is inseparable from any customs system that can be devised. There is nothing, however, now to prevent individuals from knowing exactly not only the articles liable to transit duty, but also the account of the duty for every article on which duty is leviable, and the rate of the duty itself are both fully declared in the Regulations.

PAGE 66 Line 4. 142. This is an error, though an immaterial one. There are 235 items included in Schedule III. Regulation XV. of 1825, but there are not 235 separate articles liable to taxation; of the whole number there are

repetitions,*	55
Declared free,	14
Repeated as Nepaul or Oude goods,	35
Repetitions† for town duty,	6
Spirits (two entries,) being a police duty,	2
Total	112

Thus very nearly half the number of articles mentioned in Mr. Trevelyan's Report are either not at all liable to taxation, or are mere repetitions of those which are liable to duty. Many articles might probably be excluded, but many others now omitted would also bear a customs tax; as for instance, ghee, lac dye, &c. while some of those now considered unproductive would perhaps yield a much greater amount of revenue than they now do, if the duties upon them were lowered. Metals, for instance, are taxed ten per cent., which is probably a losing rate of taxation. Oil seeds and oils, including town duties, are very heavily taxed. The smuggling in the former article is very great. A deliberate revision of rates of duty is indispensable if the inland customs system be continued in force at all.

PAGE 66 Line 9. 143. A provision is made as already explained exempting articles in private use from customs duty.‡ It

* Brocades and embroidered goods,
then
embroidered goods and brocades:
again
beads, mallahs, and rozaries,
then
rozaries, mallahs, and beads.

† As beetlenut—customs,
beetlenut—town duty.

‡ Beads, mallahs or rozaries are not taxed at all, and could therefore yield no revenue.

remains to be proved whether the articles in question, if more moderately taxed, would not yield a larger revenue. Carpets and setringies are taxed 7½ per cent., hookahs and hookah snakes 7½ per cent., rose water 7½. The expediency of revising these rates must be seriously considered.

PAGE 66 Line 19. 144. Wrought brass is assuredly not included in the articles liable to transit duty, neither is wrought copper, unless imported from Nepaul. The grievance therefore to which the Hindoo population is exposed on account of their brass cooking and eating vessels is altogether imaginary. In fact the Committee of 1809 clearly foresaw the opening for vexation and oppression, which, for the very reasons adverted to in Mr. Trevelyan's Report, would be felt by taxing wrought articles of brass or copper on inland transit. They were taxed 4 per cent. as a town duty, but the Committee observed in the 26th paragraph of their report, "Few "taxes are more exceptionable than this." They therefore proposed, and the law was framed accordingly, that wrought brass and copper should be exonerated from the inland tax. If therefore brass utensils were confiscated at Meerut or any where, except they were attempted to be brought across our frontier from Nepaul, it was in defiance of, and not in conformity to, our custom laws.

PAGE 66 Line 30. 145. The levy of transit duties is rigidly restricted to the articles enumerated as liable to that tax arranged under specific heads in a table recognized by Regulation, and amounting in all, as we have already shewn, to 123. There is no head for either manufactured wood, or manufactured brass, or copper. If the collector of customs at Meerut permitted the seizure of a boat, without bringing to immediate punishment every individual concerned in so atrocious a violation of the law, he ought to have been dismissed from his appointment, if not suspended the service. Is Mr. Trevelyan sure however that there is not a clerical mistake in the matter, and that for *boats* he ought to have read boots?

PAGE 66 Line 26. 146. It was necessary to particularize them according to the principle of the Regulation which prescribes that no unspecified article shall be taxed, and that the tax, in almost every instance, shall be levied on the market value of the article; but as for the "so many descriptions of *drugs* that it "would require all the skill of an apothecary to assign to each "its proper denomination," we may observe that there are only fourteen varieties, including gums, specified in the Regulations, and they are so generally known as to prevent the possibility of misconception as to what gums and drugs are liable to duty, and what are not.

PAGE 67 Line 21. 147. We repeat our apprehension that the annoyance will be pretty nearly the same while one single article is left liable to duty; the relinquishment will therefore in many instances only reduce the revenue, without lightening the necessary vexation attending its collection.

PAGE 68 Line 11. 148. These articles may yield little or nothing at Agra, but they may yield a good revenue elsewhere; because we obtain no revenue on raw silk at Chittagong, surely that is no reason why we should strike the article out of the tariff, and thereby forego the customs revenue leviable upon it at other places. Or is it proposed to have a separate customs system and a separate tariff for each custom house?

PAGE 69 Line 38. 149. No doubt the custom laws and the customs practice may be greatly simplified; but, even as they are, there appears to be no insurmountable difficulty opposed to their comprehension by any officer who is permitted to devote his time to their consideration. The root of much that is evil and perplexing in the whole system is, that the officers entrusted with its administration, with one or two exceptions, have their attention distracted by duties not only more interesting in themselves, but upon the zealous and efficient discharge of which they principally depend for honor and advancement.

PAGE 70 Line 18. 150. We imagine that the same difficulty would be found to beset a man commencing business in England, if he were ignorant of the customs and excise systems established there; custom house clerks are kept on purpose by most of the London firms, and employed in scarcely any other duty than that with all the forms of which they are from long habit thoroughly acquainted. Let a private individual try to pass a cargo of merchandize through the English custom house, and see the result. It is quite bad enough to pass a pipe of wine, or a few shawls or pieces of silk.

PAGE 70 Line 33. 151. This feeling certainly does not prevail in Bengal, where the mercantile class of natives have been advancing in opulence and respectability nearly from the first establishment of the Company's Government. But if it be really true that neither the British merchant nor the native capitalist engage in the inland trade of the country, by whom, it may be asked, are the forty and fifty lakhs of revenue annually realized on this trade paid to Government?

PAGE 71 Line 36. 152. We think this is a misapprehension. The small trader goes with his goods and has advantages over the great capitalist, who is cheated by his gomashtah. Indeed, we are quite confident that many a charge of chokey exaction has been made by the gomashtah to swell his own account of expences incurred. Nothing is more common in this country—so common indeed that with regard to salt a relation of the purchaser, and generally a partner in the speculation, usually accompanies the despatch with which the proprietors cannot trust a gomashtah.

PAGE 72 Line 18. 153. We see no proof of this—on the contrary whole classes and very considerable classes are engaged in the salt, and sugar, and indigo, and cotton, and rice traders.

PAGE 72 Line 22. 154. The only case of extortion yet shewn amounts to an additional tax of one per cent.* on the value of the article at its first market.

* See remark 88 of this note.

PAGE 74 Line 16. 155. All this, if applicable at all, is, we fear, applicable to the whole system of native agency, or to speak more correctly, *subordinate* native agency in our Anglo-Indian Government. Where is the native officer of low grade who is not an extortioner in his degree, whether he be employed in the police, the land revenue, the customs, the salt, or the opium department? but will any one who has read ten pages of Indian history, who has ever spoken for half an hour with an intelligent native, say that this frighful state of things has arisen with, or is attributable to, our inland transit duty system, or to any other portion of the British system of government?

PAGE 74 Line 22. 156. How is the value of the capital ascertained? We presume the merchant's own account of it is not received without question. We fancy the old and necessary evil of examination and search must prevail even in Bokhara. But surely a system which regulates the duties on trade, according to the religion of those engaged in it, cannot be preferable to one where all stand on an equal footing.

PAGE 75 Line 7. 157. Then assuredly the Russian Government, or rather its subordinate officers, and especially its custom and police officers, are greatly belied by historians, and by the most intelligent travellers, who have visited that empire. By all accounts, the corruption and venality and extortion, existing in every department of the State, is inconceivable to an Englishman, or a Frenchman, or an American.

PAGE 76 Line 31. 158. Most indisputably, the necessity for avoiding this risk has in no wise decreased since the date of the Honourable Court's despatch.

PAGE 77 Line 3. 159. The external commerce, except with Europe, is at present quite overburthened, and instead of the levy of higher duties being contemplated the existing rates must be materially reduced, if we wish to retain our commercial posi-

tion in any of the Asiatic markets—duties of 7½ and 10 per cent.* were not immoderate, when the markets of Asia were in a manner closed to all but British vessels.

Page 77 Line 15. 160. Admitting, as assumed in the Report, that nearly all our present inland duties are derived from goods brought *from* or carried into foreign Native States, how will this trade maintain its ground in our territories, when it has to contend with a trade relieved from all *inland* taxation? and may it not in that case cease to exist? and if so, how can it be assumed that Government would not be a loser by the abolition of the internal duties?

Page 77 Line 29. 161. We have endeavoured to shew reasons for questioning whether duties, however trifling, levied in each pergunnah, whatever might be the shape they assumed, could possibly be considered light in the aggregate.

Page 78 Line 7. 162. This account of the enormous consumption of untaxed articles seems to us to be rather at variance with the assumption of the perpetual and universal interference of our chokey officers, which forms the principal charge against the system.†

Page 80 Line 13. 163. It is not easy to imagine what considerable import of grain can be anticipated from countries just described as dry and poor, though supposing that the Upper provinces obtained all their supplies of this article from places to the westward of the Jumna, the imports would not add one iota to our receipts, as grain is exempt from duty on inland transit, neither does it pay any town duty.

Page 80 Line 21. 164. If, as it is here shewn, Central India, which once depended on the Gangetic provinces for supplies of

* Fifteen and twenty per cent on foreign bottoms, that is to say, 7½ and 10 per cent. export duty in addition to inland transit duty. The import duties equally require revision.

† Vide pages 57, 59, and other portions of the Report.

grain, can now export the article for sale into those provinces, may it not happen that in the other articles of indigo, sugar, and tobacco, from which our future receipts are proposed to be drawn, the same change of circumstances may also take place? that is, the countries to the westward of the Jumna, instead of taking those articles from the Gangetic provinces, may grow them for themselves. If so, we shall be left to collect very little duty on the inland trade which may cross the Western frontier.

PAGE 80 Line 31. 165. It could scarcely be otherwise—simply because the goods and rowannahs would not have been brought to those marts, unless the traffic of the particular merchants to whom they belonged was in that direction. But is it thence to be inferred, that no rowannahs were taken out at Barelly, Meerut, Furruckabad, or Dehli, except for goods proceeding across the Western frontier? for it is here shewn that the goods consisted of sugar and salt, whereas numerous other articles pay duty at the custom houses in the Upper provinces.

PAGE 81 Line 1. 166. It is scarcely possible to express the infinite pleasure it would afford us, if we could persuade ourselves that a revenue, equal to the amount at present raised by sea and inland customs, could be collected at Calcutta, and on the line of the Jumna. We speak feelingly on this point, as the labor and embarrassment entailed upon this office by the present more complicated customs system is beyond belief. All our predilections in favor of a simplicity in taxation—and all our natural anxiety to be relieved from daily increasing and most anxious labor—all our wishes for the welfare of the country and for the comforts of the people, are enlisted in favor of Mr. Trevelyan's scheme. Where we oppose it therefore, or point out what appear to us unwarrantable assumptions or ill considered theory, we do so with a degree of reluctance, which nothing but a sense of the duty we owe to Government could overcome.

PAGE 81 Line 21. 167. We fear this is an error—there is a great trade carried on through this tract of country; and it could not,

we apprehend, be considered as at all a barrier through which goods from the westward could not penetrate into Bengal. Still the route is an expensive one, and with reference to that circumstance the country adverted to may be viewed in the light in which it is considered by Mr. Trevelyan; but through Dacca, up the Bhurampooter, and down the Megna, large quantities of merchandize find their way into and out of Assam and the Burman empire, which ought not, upon the principle of subjecting the foreign trade alone to taxation, to escape free.

Page 82 Line 24. 168. This appears to us to be rather a hasty conclusion. Much of the trade from east to west and from west to east might have been intercepted at the Dehli chokeys, but we see no reason why many other articles, besides sugar, should not be carried south. The necessity for maintaining Rhotuck as well as Hissar is certainly not very apparent.

Page 84 Line 30. 169. Very possibly the conclusions with respect to the Furruckabad custom house may be accurate, if the transit of the goods beyond Allahabad has been correctly ascertained. The change of system, contemplated by Mr. Kinlock, has reference to the provinces above Allahabad; and if the amount of duties now levied by means of all the custom houses in the Western provinces can be secured on one line, *the only doubtful point*, then there can be no question as to the course which it behoves Government to adopt for the general relief of the country.

170. But this is admitting, without much scrutiny, the conclusions drawn by Mr. Trevelyan respecting the Furruckabad custom house—Mr. Trevelyan, however, it may be observed, takes the collections of 1831-32, shewn by him to have been a very unfavorable year owing to a "revulsion which occurred "among the mercantile community," and "to the withdrawal of "European capital and enterprize," and compares them with the collections of ten preceding years when no such disadvantages were experienced, and in some of which years the duty on piece

goods was at the high rate of 7½ per cent. and the indigo bonding system was gradually coming into operation. The results therefore in these years would obviously be more favorable than those of the year 1831-32, and they cannot with any fairness be brought to bear on the collections of the last mentioned year. Mr. Trevelyan says that the Furruckabad custom house can only be entitled to claim rupees 35,321 as the amount of its real collections in the year 1831-32, all in excess of this amount realized by it would, it is observed, have been realized at Allahabad even if no custom house had existed at Furruckabad; and he goes on to assume that this amount was realized at an annual charge of rupees 36,502; this, however, is the average, of eleven years' charges, not the charge actually incurred in 1831-32; and it cannot therefore be brought to bear on the receipts of this or of any one year in particular. The comparison, to be just, should have included the collections of eleven years, and an average of those collections struck in the same manner as the charges have been; but as this course has not been adopted no satisfactory comparison can, of course, be made between the charges noted by Mr. Trevelyan and the receipts of 1831-32. It is also difficult to conceive how, as stated in the Report, the collections at Furruckabad in 1831-32 amounted to only rupees 77,738-10-3, when in that year it is shewn that the total quantity of indigo alone, for which rowannahs were taken out at that place, was maunds 38,646-34-1, on which the duty ought to have amounted to rupees 1,93,234. It is clear, therefore, that in the statement either of the amount actually collected, or of the quantity of indigo for which rowannahs were taken out at Furruckabad, a great mistake has occurred, and, that the account given of the transactions of this custom house, at least for the year specified, is open to very important objections.

Page 85 Line 27. 171. The chokey registers, from which the future receipts of the department have been estimated, are mere extracts or entries made from the rowannahs themselves; and if the destinations given in the rowannahs are not to be depended

upon, neither can any dependance then as regards this point be placed upon the chokey registers.

PAGE 86 Line 7. 172. We have no return of the amount produced by the local duty stated to be levied at Juggudree; but credit should we think be taken for this duty, as part of what is obtained under the existing system, since under the proposed system the inland trade of the country, through whatever channels it may pass, is only to be subjected to duty on crossing the frontier on the Jumna, and on being exported by sea.

PAGE 86 Line 13. 173. The mistake regarding shawls, here noticed, tells greatly against the accuracy of the returns obtained from the frontier chokeys. We are indeed at a loss to conceive how the *weight* of shawls was ascertained, for they are always described in the invoices produced for them, and in the rowannahs taken out for them, piece by piece separately, and no mention of the weight of the article is to be found in those documents.

PAGE 86 Line 36. 174. Here again, in the article of indigo, the Meerut chokey returns are shewn not to be worthy of credit. Those returns state 910 maunds of indigo to have been exported, while it is assumed from a report, stated to have been obtained from the political agent at Ambalia, that the quantity actually exported, was maunds 2,937.

PAGE 87 Line 32. 175. Nearly our sole dependance, as far as the probable financial results of the new system are concerned, must be placed, it seems, upon the special chokey returns called for by Mr. Trevelyan and prepared with much labor. But this source of information seems to fail us nearly at the outset; for, so far as the Meerut chokey returns are in question, they are shewn by Mr. Trevelyan himself to be so little worthy of credit, that he abandons them at once and gives the preference to a description of chance unofficial information, viz. that of the political agent at Ambalia, who, as far as we are aware, is not bound or indeed

likely to keep any very accurate commercial returns in his office. We beg special attention to this fact, as upon the information; of the same nature as that rejected by Mr. Trevelyan himself, viz. the chokey returns, depends the whole revenue results assumed by him in favor of the new system, whatever the details of that system, which are no where distinctly explained, may be.

PAGE 88 Line 4. 176. Here is another mistake in the item of raw silk detected in the Meerut chokey returns. It is possible that still greater errors may exist, which do not admit of being so easily detected as those adverted to; but after these specimens what assurance can there be that the returns from the chokeys of the other places noticed in the Report are not similarly erroneous? Yet upon those returns the assumed financial results of the proposed system are altogether based.

PAGE 88 Line 9. 177. Particulars are not furnished to shew how the estimate of the receipts, assumed from the returns given in by the Dehli and Agra frontier chokeys, was calculated. There is, however, a considerable difference between the actual receipts of those custom houses for the year 1831-32, as entered in the revenue accountant's books, and those made out from the frontier returns obtained by Mr. Trevelyan, as the following will shew.

The actual receipts at Agra appear to have been,	Rs.	10,76,557
The receipts estimated in the Report, from the Agra chokey returns, amount to, ...	Rs.	13,03,475
Difference, ...	Rs.	2,26,918
The actual receipts again at Dehli appear to have been, ...	Rs.	5,07,052
The estimated receipts similarly, ...	Rs.	7,05,602
Difference, ...	Rs.	1,98,550

PAGES 88 and 89. PAGE 88 Line 4. 178. Duties are estimated on the trade passing through Bundlecund, and taken credit for

PAGE 89 Line 2. as a new asset in the Report as if the whole of that trade now escaped taxation ; but we believe that much, if not the whole, of this trade is at present brought under duties, either in the Saugor or Nerbudda territories, or at Ajmere, or at one or other of the established custom houses at Allahabad, Cawnpore, or Mirzapore; but no account whatever is taken by Mr. Trevelyan of the receipts from customs now credited in the Saugor or Nerbudda territories and Ajmere, though in page 89 of the Report it is admitted that Bundlecund forms the medium of an extensive carrying trade with *Saugor* and *Central India,* as well as some other places which are specifically named—of course then all that is now obtained in the Saugor and Nerbudda territories, and Ajmere, will be lost to the custom houses in those places, if in future the trade, from and to those territories, is to pay duty at Bundlecund, or on any line of the proposed frontier chokeys. *Unquestionably therefore credit should be given for what is actually now realized, in order that the exact difference between the existing and the proposed system may be seen. Neither is it correct we think to assume the receipts at Bundlecund at rupees 3,00,000, when Mr. Truscott, from whom the particulars of the trade have been obtained, estimates the receipts at only rupees 2,33,852.

PAGES 89 and 90. PAGE 89 Line 2. PAGE 90 Line 39. 179. From what has already been stated by us, it will, we trust, appear that much, if not the whole, of what is detailed in these pages of the Report, is conjectural. At any rate they embrace points which will fall more immediately under the consideration of the Sudder Board at Allahabad. *Assuming* a duty of three lacs of rupees in a customs calculation is rather a liberal proceeding.

PAGE 91 Line 15. 180. We are always apprehensive that the difficulties of effectually guarding the line of the Jumna are

* We should perhaps rather say that the duty, now collected in the Saugor and Nerbudda territories, on goods coming towards our provinces, is not a fair asset to assume in favor of the proposed Bundlecund custom house ; while the duties, which may be collected at the new frontier line, on goods going from our provinces towards Central India, will of course cease to be collected, as they now are in the Saugor and Nerbudda territories.

underrated, or that they can only be met at an enormous cost to the State; in this case a collection of 25,000 rupees is assumed—but what would be the cost attending its realization?

PAGE 92 Line 11. 181. The inland duty is not levied indiscriminately on *all* goods, as assumed in this part of the Report; but on the other hand all goods, which are not enumerated as being liable to transit duty, and which are not specially exempted from duty by Regulation, are liable on exportation by sea to an export sea duty of 2½ per cent., 5 per cent. or 10 per cent., according to the flag under which the exportation is effected, and to the place for which the vessel clears out.* What therefore *does* accrue to Government from the exports by sea is, not only that part of the inland duty which remains in the hands of the Government officers after deducting the drawbacks, but an actual export duty on articles which are not liable to any inland transit duty. This amount however would, of course, continue to be levied at Calcutta under the change of system proposed.

PAGE 94 Line 13. 182. The receipts from inland customs appear to be not only misplaced, but to have been also slightly misstated. In 1831-32 they were rupees 46,35,883-15-7, and in 1832-33 rupees 54,13,261-8-5, making a difference in favor of 1832-33 of rupees 7,77,377-8-10, or an increase of something more than 16 per cent. on the receipts of 1831-32. From this it will be seen that the estimates of receipts, calculated by Mr. Trevelyan as available under the new system, approximate more nearly to the actual receipts of 1831-32, than as stated by him to those of 1832-33; for in the former year the actual receipts were rupees 46,35,883-15-7, and the estimated receipts are (vide page 99) assumed at rupees 41,12,759-13.

PAGE 95 Line 35. 183. We do not perceive any valid reason why the realization of this amount of two lacs of rupees per

* Vide last entry in Schedule No. III. Regulation XV. of 1825.

annum should depend upon a revision of our inland transit duty system, or why it should not be secured under any circumstances, whether that system be maintained, or abolished, or revised.

PAGE 96 Line 23. 184. Arrangements might easily be made for levying the additional duty at the actual junction of the Jumna and Ganges. There is nothing to prevent it in the Regulations.

PAGE 97 Line 8. 184. A. It possibly may amount to a lac of rupees per annum; but it is to be regretted that, in being called upon to resign a *certain* amount of duty, we are offered nothing to replace it more tangible than collections by estimate.

PAGE 97 Line 20. 185. The tax is now so distributed as to prevent the extreme abruptness of a transition from four annas per maund, at which salt might be consumed under the old rules in Goruckpore, to a tax of three rupees per maund, at which it was consumed in Chupra, being more than twice the actual sale *price* of the article (including duty) in Goruckpore. The danger of such a state of things to the revenue was sufficiently obvious, in addition to the discontent it was likely to create in the highest taxed districts. The tax now increases gradually as the article taxed comes into contact with the monopoly salt of Bengal; and, if the tax on the western salts be not evaded, there is probably but little difference to the consumer between the price of those and the Bengal article on the line where the two descriptions of salt meet.

PAGE 97 Line 30. 186. If these places are beyond the town duty limits, the articles specified can be passed through Allahabad without paying that tax, which is entirely a tax on sale, store, or consumption.

PAGE 98 Line 28. 187. There are two observations necessary upon this proposition. First, that to realize, by *farming* the timber, all the revenue, now obtained both through farming the privilege of cutting timber, and by the customs duty subsequently

levied upon it, would involve this difficulty; viz. that the duty levied would bear no proportion to the quantity of timber cut; for much would be cut in so wide a tract of country by people who could not be made to contribute any thing towards the rent: next, that the traders in this article would be placed on a footing very different from the traders in all other articles, who are to be exempt from duty in all cases where their goods do not cross the Western frontier, or are not exported by sea; whereas upon timber, whether the article cross that frontier, or is exported by sea, the customs now levied will continue to be levied, the only difference being that it will be levied under the name of *rent*. Though it is proposed to subject the article to duty once, and that in the shape only of rent, still we find credit taken in the Report for rupees 21,852 as customs on that portion of the timber trade which is understood to cross the Western frontier. This in principle appears to be erroneous—or if credit as customs be taken for the trade crossing the Western frontier, then no credit as *customs* can we think be justly taken for rupees 62,879-3-11; because that amount was levied on the trade which did not cross that frontier, and which under the proposed system will remain free as far as customs is concerned. In other words, this sum, whether it be or be not levied as *timber rent*, will be lost to customs revenue, under the new system of collecting that revenue on the inland trade of the country, contemplated by the Report.

PAGE 99. PAGE 99 Line 2. PAGE 99 Line 4. 188. These two items of increase may be obtained in addition to the present revenue (if obtainable at all,) precisely with as great facility under our existing system as under that proposed. It is therefore, we submit, an inaccurate mode of comparing the present and proposed system to assume them as a credit in favor of the latter. Our doubts, as we have already shewn, are also very great whether any collections can be realized in Bundlecund without a corresponding sacrifice elsewhere; at any rate not more than rupees 2,33,852 ought to be assumed as the sum to be expected from this quarter, supposing a custom house to be fixed there.

PAGE 99 Line 21. 189. We do not know whether the* preventive checks between Allahabad and Mirzapore are intended to be furnished from the latter custom house; but if they are we should from long experience think it very doubtful whether the expence of an efficient line of posts, and of the custom house to which they are attached, could all be included in an outlay of 650 rupees per mensem.

PAGE 99 Line 35. 190. It is assumed that drawback of *inland* customs will cease under the contemplated system; but this is on the supposition that no sugar, no cotton, no indigo, no shawls, no borax, nor indeed any other article, which may be charged with duty at Saharunpore, Delhi, Agra, Allahabad, Mirzapore, or any part of the Western frontier line, will be brought to Calcutta for exportation by sea. Should however Country goods continue as at present to be exported by sea, under rowannahs taken out from any of the above custom houses, drawback must we imagine continue to be allowed. The greater part of the cotton and sugar now exported by sea is under Mirzapore rowannahs; and that place is one point on the line where it is intended that inland duties shall continue to be levied. Large quantities of lac and indigo are also exported under Mirzapore rowannahs, and the exports are chiefly to Great Britain when drawback is obtained. Indigo again from Belaspore is brought down for exportation to Great Britain under Delhi rowannahs. Now the drawback paid is almost exclusively on the articles specified, and, of course, therefore, the exporters will not forego this drawback. It must continue to be paid, or the inland duties be reduced to an extent corresponding with the rates retained by Government on the exportation of each class of goods, after giving the exporter the prescribed drawback.

PAGE 100 Line 7. 191. It is surely impossible that this amount of rupees 2,26,536-6-10† can be intended to include the whole

* Vide page 91 of the Report.

† Deducting 9,427-5-11 for Chittagong and Cuttack.

preventive line from Badshah Mehal to the point a little below Mirzapore where the jungle tract commences.* The distance is probably six hundred miles, following the course of the Jumna; and, on a rough calculation, we should say that five times the amount, estimated by Mr. Trevelyan would hardly secure its efficient protection. It never can be kept too strongly in mind that, in a system like that proposed, if one point of the line be broken, or if at one point the officers are corrupted, the whole scheme of prevention falls to the ground.

PAGE 100 Line 21. 192. There is a mistake here, though not a very material one. The expence of realizing a revenue of 41,12,759-13-0 according to Mr. Trevelyan's shewing,† would be very nearly seven and a half per cent. instead of less than six.

PAGE 100 Line 29. 193. This is exceedingly perplexing; at page 94 of the Report, the collection of 1831-32 (as far as some confusion in the passage will allow us to understand it,) is rupees 49,86,414, or if not that, it must then be rupees 53,70,994, but certainly not as is now stated 47,41,526.

194. The whole customs year 1831-32 was a very bad one, owing to causes which it is scarcely necessary to explain. The collections of inland duties fell short of those of the year 1830-31 by nearly five lacs of rupees, and of the collections of 1832-33 by more than seven lacs, so that it of course is a very favorable year to select in any argument *against* the present system, considered merely as a branch of revenue. We shall however endeavor to correct what have appeared to us to be errors in the calculation of Mr. Trevelyan, and to show how we think the estimate he has made ought to stand.

* Vide page 81 of the Report.

† Custom houses, ... Rs. 2,35,963 12 9
Board of Customs, ... „ 71,366 0 0

Rs. 3,07,329 12 9

Amount estimated to be realized under the proposed system, ... Rs.		41,12,759
Deduct excess assumed on receipts in Bundlecund, or difference between the sum of Rs. 3,00,000 and Rs. 2,33,852, the sum shewn by Mr. Truscott to have *been really recoverable*, ... Rs.	66,148	
Deduct loss on timber to the customs department, (supposing that which crosses the Western frontier to be chargeable with duty in the customs department) on that portion of the trade in the article not carried across either the Western frontier on the Jumna nor beyond sea. Vide remark 187, ... Rs.	62,879	
Deduct for that portion of the Saugor and Nerbudda territories which now pays transit duties in those territories, but which under the proposed system will (vide remark 178) pay those duties in Bundlecund, or at the frontier custom houses on the line of the Jumna. The amount in 1831-32, exclusive of town duties, was ..... Rs.	1,63,538	
Deduct similarly on account of the trade, which now pays transit duties in Ajmere. In 1831-32, the amount, exclusive of town duties, was ..... Rs.	57,440	
Deduct for bonded indigo brought down to Calcutta. In 1831-32, the indigo in bond was maunds 83,057-28, the duty on which amounted to rupees 4,15,288. One-third of this quantity, or maunds 27,685 at least, would have been in bond from the frontier custom houses, had they been in existence		
Carried over, Rs.	3,50,005	41,12,759

Brought over, Rs.	3,50,005	41,12,759
in 1831-32, and the duty for this quantity should be deducted from the amount of probable receipts estimated by Mr. Trevelyan, ... Rs.	1,38,425	
Rs.	4,88,430	
The amount of drawback paid out of the inland duties in 1831-32 on goods exported by sea was Rs. 2,49,406, and it is probable that at least one-half of this amount will continue to be annually disbursed under the new system, or else it must cease to be collected on the Western frontier. The sum should accordingly be deducted from the amount of the estimated revenue, ... Rs.	1,24,703	
Total deductions, Rs.		6,13,133
There remains then as the amount of probable receipts under the new system only, ... Rs.		34,99,626
The charges for collecting this amount of revenue are estimated by Mr. Trevelyan as follows; though, as already shewn, they must greatly exceed the amount, and they must of course be also deducted from the receipts:		
Charges of custom houses, ... Rs.	2,35,963	
Proportion of the expence of the Board of Customs, ... Rs.	71,366	
		3,07,329
Net amount under the proposed system, ... Rs.		31,92,297

According to the foregoing shewing, the charges of collection will

average nearly nine per cent. on the gross receipts, and the net receipt will fall short of Mr. Trevelyan's estimate by rupees 6,13,142.

The existing system is stated by Mr. Trevelyan to have yielded in 1831-32, as follows:

Lower provinces, ...	Rs. 13,90,696	
Western provinces, ...	Rs. 28,43,776	
Delhi territory, ...	Rs. 5,07,054	
		47,41,526

The following items, which are assumed by Mr. Trevelyan as available under his plan, are equally available under the existing system; and may therefore be assumed in favor of the latter as they have been for the proposed scheme:

Meerut and Agra salt manufactures,	Rs. 2,00,000	
Expected result of the change in the place of collecting the extra duty on salt, carried through Allahabad into the Benares province, ...	Rs. 1,00,000	
Bundlecund imports and exports as estimated by Mr. Truscott, ...	Rs. 2,33,852	
		5,33,852
Total amount of actual and assumed collections,	Rs.	52,75,378

195. The receipts, as stated above, do not include any part of the bonds granted for duty on indigo; neither are the bonds adjusted or brought to account in the collections of the inland custom house. The sea custom house recovers the amount falling due in consequence of non-exportation upon all indigo bonds, and includes the same as part of its collections.

196. In 1831-32 the amount of bonds so recovered and adjusted was only rupees 81,746-11; while the total amount of the bonds executed in that year for the inland duty on indigo was rupees 4,15,288; the quantity bonded was maunds 83,057-28. Now, if, instead of such bonds, the inland duty had actually been paid when the article was despatched to Calcutta, the inland customs, in that year, instead of being only rupees 47,41,526 as shewn by Mr. Trevelyan, would have stood at rupees 51,56,814. As it is, credit should at least be taken for the amount of bonds realized in 1831-32. in the sea custom house, as part of the assets actually belonging to the existing system of inland duties of that year, instead of that amount being deducted from those duties as proposed by Mr. Trevelyan.

197. The drawback paid in 1831-32 upon Country goods exported by sea should of course be deducted from the receipts of that year; in the same manner as the amount of indigo bonds, realized in that year in the Calcutta sea custom house, should be added to those receipts—when the result will be as follows:

1831-32, amount of actual and assumed collections,* ..... Rs.		52,75,378
Add amount of indigo bonds realized in the Calcutta sea custom house, ... Rs.		81,746
Total, Rs.		53,57,124
Deduct amount of drawback, ... Rs.	2,49,406	
Deduct expence of the inland custom houses, ... Rs.	6,15,196	
Deduct Board of Customs, ... Rs.	71,666	
		9,36,268
Net probable† income from the established inland custom houses under the existing system, ... Rs.		44,20,856

* Rupees 3,00,000 which if realizable at all is equally available under the present as under the proposed scheme.

† That is, including the rupees 3,00,000, which if realizable at all is equally realizable under the present as under the proposed system.

198. This, compared with the net probable income under the proposed system,* leaves an advantage in favor of the existing inland transit duties, as a mere matter of revenue, amounting to rupees 12,28,559,† instead of a net surplus to arise from the new system, if it replaces that in existence, of rupees 1,11,260-10-8.

199. Now this is without at all taking into account the charges for additional chokeys to an extent which, assuredly, our present establishments, if broken up, would not provide for; nor the expence of employing a better paid class of officers, nor the charges for the whole patrol system on the line of the Western frontier, which we cannot but apprehend must be very costly to be at all efficient.

200. In the above calculation, we think, we have assumed no item to the credit of the present system, which is not fairly calculable as a credit. We have assumed no collection which, if it could be made under the scheme proposed by the Report, could not equally be made under that now in operation.

201. But, before proceeding further, we would request permission to correct another mistake, which is likely to give rise to a very unfavorable and erroneous impression. The Report says that the income under the new system would be collected at a charge of less than 6 per cent. We have shewn that its collection will cost nearly 9 per cent.‡ The Report says that the collection now costs about 22 per cent. This, however, is viewing the amount duty which is actually recovered at the sea custom house on bonded indigo, and the drawback payable upon

* Net income from Mr. Trevelyan's scheme, as corrected at remark 191, rupees 81,02,207.

† The difference would have been much greater if we had taken the receipts of the year 1832-33 as the basis of our calculations, since in that year the receipts exceeded those of the year 1831-32, by rupees 7,77,378.

‡ Without any additional charge for the stronger line on the Jumna and Ganges, or for the higher rates of emolument which it is proposed by the Report to allow to custom house officers.

certain goods on exportation, both as *charges* of collection; now deduct these two items amounting* to rupees 3,60,484 (and which cannot by any possibility be considered *charges* of collection,) from the 10,47,346-10-5,† which Mr. Trevelyan assumes as the charges of collection, and the *real charge* will be seen to amount to 6,86,862-10-5. This, on the indifferent collection of 1831-32,‡ shews the realization of the revenue to have cost about 14¼ per cent. which is no doubt a high rate, but moderate compared with that assumed by Mr. Trevelyan. The same outlay collected§ rupees 54,13,261 in 1832-33.

202. It is necessary however, in order that the possible results of the new system may be clearly before Government, to submit the calculations of the Report to a further analysis; and as the first step in the process to divest them of all credits which have no better ground than a belief, which however apparently well founded, is only a *belief*, that the amounts taken credit for will be realized by Government.

203. Following this principle we must deduct from the total assumed collections at page 99 of the Report,

* Bonded indigo, ... Rs. 1,11,078
Drawback, ... „ 2,49,406

Rs. 3,60,484

† Vide page 101 of Mr. Trevelyan's Report.

Bonded indigo and drawback, ...	Rs. 3,60,484	0	0
Inland custom houses, ...	„ 6,15,196	10	5
Board of Customs, ...	„ 71,666	0	0
	Rs. 10,47,346	10	5
* Deduct,	„ 3,60,484	0	0
	Rs. 6,86,862	10	5

‡ Vide page 100 of Mr. Trevelyan's Report.
Rupees 47,41,526 which we here quote, because it is that assumed collection which is said by the Report to have cost 22 per cent.

§ Vide revenue accountant's statements for the year 1832-33.

rupees 6,00,000,* which, taken from the assumed total of rupees 41,12,759-13, will leave the amount of collections on the Western frontier, on Calcutta exports, and on timber farms, rupees 35,12,759-13. From this is to be deducted the cost of collection as shewn at page 100 of the Report, viz. 3,07,329-12-9. Further deduct for bonded indigo rupees 1,38,425, and for drawback rupees 1,24,703, making a total deduction of rupees 5,70,457,† and the net surplus will be rupees 29,42,302-0-3.‡

204. The net revenue from the scheme advocated in the Report would amount as shewn to rupees 29,42,302, say thirty lacs of rupees, if the several sources of revenue assumed as available, and which swell it to, say thirty-eight lacs of rupees, were found *not* to be available.

205. Under the existing inland system we should realize as shewn in the 197th remark 53,57,124 rupees, but we will make precisely the same deductions on account of assets merely *assumed*

* Bundlecund,..... Rs. 3,00,000
Meerut and Agra salt manufacture,..... „ 2,00,000
Extra duty on salt at Allahabad,..... „ 1,00,000

Rs. 6,00,000

† Cost of collection,..... Rs. 3,07,329
Bonded indigo,..... „ 1,38,425
Drawback,..... „ 1,24,703

Rs. 5,70,457

‡ Receipts as above,..... Rs. 35,12,759
Charges, &c.,..... „ 5,70,457

Net Rs. 29,42,302

to be available, amounting to 5,33,852 rupees,* (as in remark 194) as also of expences and drawbacks. This being done, as per margin,† the total net revenue, under the existing system, stands at rupees 38,87,004.

206. Making the above deductions from the revenue which might be realized under our present system, as well as under the other, the balance or net surplus revenue is rupees 38,87,004, say thirty-nine lacs of rupees, being upwards of nine lacs of rupees‡ in favor of the existing inland system compared with that proposed, if all assumptions to the credit of both are abandoned.

207. But the most important point remains for consideration. Hitherto we have implicitly followed the calculations, the debits and credits of the Report, without questioning their accuracy; we must now explain that they do not exactly accord with those

* In this amount we took credit only for the following sums assumed as available receipts in the Report:

Meerut and Agra salt manufactures,.....	Rs. 2,00,000
Salt at Allahabad,.....	,, 1,00,000
Bundlecund trade,.....	,, 2,33,852
	Rs. 5,33,852

and therefore only this amount ought to be deducted from our calculations in favor of the existing system.

† Assumptions,.....	Rs. 5,33,852
Expence of custom houses and Board,.....	,, 6,86,862
Amount of drawback,.....	,, 2,49,106
	Rs. 14,70,120

‡ Gross revenue as per remark 197.	Rs. 53,57,124
Deduct charges and drawback, assumptions, &c,.....	,, 14,70,120
Under existing system,.....	,, 38,87,004
Under proposed system,.....	,, 29,42,302
	Rs. 9,44,702

drawn from the official source of the revenue accountant's returns. We cannot pretend to conjecture how this has happened; we are perfectly confident that Mr. Trevelyan has taken the utmost pains to secure accuracy, and it is almost needless in us to express our unqualified persuasion that he would scrupulously have avoided underrating the capacity of our present system, in comparison with that proposed as a means of realizing the customs revenue, had he been in the least degree aware that he was doing so.

208. Perhaps the statements now submitted, prepared from those of the revenue acountant, may be mere repetitions of inaccuracy in that department; but we have no better authority to go upon, and it is our duty to shew Government upon such authority, what would, to the best of our judgment, be the difference in a merely fiscal point of view between the working of the old and the proposed inland custom schemes.

No. 1, vide Appendix C. and No. 2, vide Appendix D.

209. Following the statements then, herewith submitted, and which have been carefully prepared from the revenue accountant's reports, we shall arrive for the year 1831-32, at the following results:

Inland customs actually collected in 1831-32, at all the established inland custom houses, excepting those collected in the Saugor and Nerbudda territories, in Ajmere, and at other unimportant detached places, not included in Mr. Trevelyan's scheme, page 98 and 99, ...	Rs.	45,54,139*
Deduct charges of management, both fixed and contingent, as per annexed papers A and B, including Board of Customs and Dehli, ...	Rs.	6,98,899
Net receipts, ...	Rs.	38,55,240*
Deduct amount of inland customs actually paid as drawback in the year 1831-32, ...	Rs.	2,49,406

* These sums will be found to exceed by two or three rupees those entered in the statements referred to; the difference has arisen from the fractional parts of the rupee having been here assumed as being equal to the rupee in every instance where the fraction amounted to, or was in excess of eight annas.

Net amount of inland customs realized at the established inland custom houses in 1831-32, ...	Rs.	36,05,834*
Add amount of bonds for transit duty on indigo actually recovered in 1831-32, in the sea department of the Calcutta custom house, and not included in the above credits, ...	Rs.	81,746
Total actual receipts in cash or surplus revenue obtained from inland customs in 1831-32, exclusive of those realized in Saugor and Ajmere, finally retained by the State, ...	Rs.	36,87,580*

210. The net receipt, as above shewn, is from the established inland custom houses only; but as transit duties are also collected at present in Central India, that is, in the Saugor and Nerbudda territories and in Ajmere, and as the trade to and from those quarters will necessarily under the proposed system be intercepted by the new line of chokeys to be established on the Jumna, especially by those intersecting Bundlecund, credit ought of course to be taken for the receipts so obtained at present. Adding the receipts and charges of these other places, the revenue from the inland trade of the country, as now actually obtained under the system proposed to be abolished, is as follows:—

Amount net revenue obtained in 1831-32, from the established inland custom houses, ...			Rs. 36,87,580*
Gross amount of transit duties realized in 1831-32, in the Saugor and Nerbudda territories, ...	Rs.	1,63,538	
Ditto ditto in Ajmere, ...	Rs.	57,440	
			2,20,978
		Total receipts, Rs.	39,08,558
Deduct charges of collection in the Saugor and Nerbudda territories, amounting to	Rs.	16,898	
Ditto ditto in Ajmere, ...	Rs.	1,343	
			18,241
Net revenue actually credited to Government in the inland trade of the country in 1831-32, ...			Rs. 38,90,317*

* Vide Note in preceding page.

211. Under the proposed system no deduction has been made on account of the duty on indigo which may be bonded; and throughout the duty on this article has been estimated as an actual receipt; while under the existing system a large amount is annually secured by bonds, and never appears as an actual receipt; though, if in the one case the entire duty is assumed as an actual receipt, the same course ought clearly to be also observed in the other case; as otherwise a fair comparison cannot be made between the existing and the proposed systems.

Net revenue obtained in 1831-32, from the inland trade of the country, ... Rs.		38,90,317
Duty on maunds 83,057-28 of indigo secured by bonds not entered in the receipts of inland custom houses being at 5 rupees per maund, ... Rs.	4,15,288-8	
Deduct recovered in the sea department of the Calcutta custom house, on account of non-exportation or of exportation to places giving no claim to drawback,.. Rs.	81,746	
		3,33,542
Total amount of the transit duties available under the existing system in the year 1831-32, ... Rs.		42,23,859

212. It may further be remarked that the value and amount transit duty taken credit for by the customs department in adjustment of account on Country goods, provided for the Hon'ble Company's investment in 1831-32, is not included in the foregoing particulars. That investment was valued in 1831-32 at rupees 71,27,693. Thirdly, the town duties collected by the same machinery, and at very little or no additional expence, amounted in 1831-32 to rupees 7,30,615.*

* The town duties in the Lower and Western provinces, exclusive of Delhi, amounted to ..... Rs.	5,07,638	2	8
Delhi, ... ,,	1,68,851	14	7
Total, Rs.	6,06,490	1	3
Add Saugor and Nerbudda,..... Rs.	12,331	7	5
Ajmere, ... ,,	51,793	7	0
Total amount of town duties, Rs.	7,80,615	0	0

213. Thus it appears that the total surplus revenue raised to the State by the inland transit system in 1831-32, and actually paid into the General Treasury, after all deductions, was rupees 38,90,317; say thirty-nine lacs of rupees, exclusive of a sum of rupees 3,33,542, held in bonds on account of indigo, and which would fall to be recovered in the succeeding year if the article remained unexported, or if it happened to be exported to places not entitling it to a drawback or remission of the transit duty chargeable upon it.

214. If we were to add the assumptions of the Report, which, if the amounts assumed are realizable at all, are as much so under our present as under the proposed system; then the net inland customs revenue would stand, for 1831-32, at 44,90,317;* say forty-four lacs and ninety thousand rupees, independent of town duties, yielding seven lacs and thirty thousand rupees more, and making a total of above fifty-two lacs of rupees net revenue.

215. However—rigidly confining our calculations of the *produce* of the inland transit duty system, for the purposes of comparison, to the thirty-eight lacs and ninety thousand rupees of indisputable net revenue from that system, the following are the results:

216. The Report takes credit for gross collections of 41,12,759-13, of these 6,00,000 of rupees are assumptions equally available to the other side of the question, and we shall dispose of them as before. The remainder shews a gross collection under the proposed system of rupees 35,12,759-13. We will not embarrass the question by deducting the proportion of drawback debitable to this collection, but let the whole stand to the advantage of the proposed in comparison with the existing scheme.

* Rupees,	38,90,317
Assumed,	6,00,000
Rs.	44,90,317

217. From 35,12,759-13 are to be deducted the charges of management or collection. Mr. Trevelyan assumes them* as amounting to 3,07,329, (without any addition for the additional patrolling or chokey establishment,) thus leaving a clear surplus revenue from the inland system, under his scheme, of rupees 32,05,430, say thirty-two lacs of rupees, or rupees 6,84,887 less than the amount actually collected by the present inland transit duty system, exclusive of what may hereafter be recovered of the duty on indigo remaining in bond at the close of the year 1831-32.

218. According to the above corrected calculations, the present system works at a cost of management† amounting to a trifle less than 14 per cent. on the available receipts, instead of at 22 per cent. assumed by the Report.

219. According to Mr. Trevelyan's scheme the realization of the gross revenue‡ would cost within a fraction of 9 per cent. instead of less than 6 per cent. as assumed by the Report.

220. We have shewn that the difference against the proposed scheme, on a comparison of its fiscal results with those of the

* 100 page of Report.

† Collections, regular inland custom house, including Delhi,.....Rs. 45,54,139
Indigo bonds actually realized,..... „ 81,746
Indigo bonds remaining unrealized, (a)..... „ 3,33,542

Rs. 49,69,427

(a) This is for 32-33, but the actual collections of 31-32, shewn by revenue accountant, are what must here be noticed.

Add Saugor and Ajmere,..... Rs. 2,20,978

Rs. 51,90,405

Expences, regular custom houses, including Board and Delhi,...Rs. 6,98,899
Add Saugor and Ajmere,..... „ 18,241

Rs. 7,17,140

‡ Gross revenue,..... Rs. 35,12,759
Charges,..... „ 3,07,329

present system, and putting all assumptions for or against both entirely on one side, may be fairly calculated at not less than rupees 6,84,887. This too is calculating that the single frontier line, and its patrols, will be found efficient for the collection of the entire revenue it is intended to secure to the State.

221. Now we do not pretend to say that the whole of this amount, say seven lacs of rupees, would be a dead loss under the projected system, always providing that the frontier line answers the purpose for which it is established. No doubt the sources of revenue pointed out by the Report would yield considerable returns, exactly as they would without the present system being interfered with. On the other hand, it is to be considered that the expence of the frontier line must be very great. On the whole, however, we may venture to repeat that the seven lacs of rupees would not be a dead loss ;* but it is undeniable that it must be risked, and it rests with Government to determine whether the circumstances of the case justify the risk. As officers of revenue, and acquainted with the embarrassed state of the finances, we should say, that the risk ought *not* to be incurred: as Englishmen, and as individuals deeply interested in the prosperity of this great country, and fully persuaded that, however the evils of the transit duty system may be exaggerated, it still presses heavily, most heavily, upon the principal sources of national wealth, we should say, that the risk *ought* to be incurred were it ten times as great.

PAGE 101 Line 23. 222. It is impossible, without knowing the full nature and extent of the change of system contemplated by the Report, to judge accurately of its effects on the revenue. The whole extent and form of that change is nowhere placed before us at one view. We are obliged to gather it, as we best may, from isolated and frequently not very consistent suggestions,

* This is presuming no alterations to be made in the rate of the duties, and the same number of articles to remain liable to duties. We mention this as Mr. Trevelyan seems to contemplate a considerable diminution in both.

scattered through the Report. As far, however, as the contemplated change is at present explained, we think it more probable, as we have already shewn, that a loss instead of a gain will result from its adoption; and the loss will, we fear, greatly exceed our widest estimate, if, as it is now stated in the Report, the internal transit duty on each of the 235 articles now liable to that tax is to be taken off, and no rowannah is to accompany goods under any circumstance whatever—however, we do not very clearly discover what Mr. Trevelyan means by the passage we have marked.

PAGE 102 Line 21. 223. We greatly doubt whether goods, as for instance, salt, shawls, cotton, &c., which may pay the proposed foreign duty at Saharunpore, Dehli, or Agra, and which may be intended for sale either in Benares or in Calcutta, or again, goods such as sugar, saltpetre, silks, indigo, &c., which may pay the foreign duty at Mirzapore or Allahabad, and be intended for sale at Ajmere, Saugor, or Umritser, will under the system contemplated take up a shorter time in reaching their respective destinations than they now do; and, unless they do so, we do not see that the foreign trade of the country will under the contemplated change of system benefit in the manner assumed in the Report; that is, that duties will not have to be advanced on that trade, as now is the case, several months before the amount can be recovered by the sale of the goods. We also doubt whether, in any of the cases adverted to, or in others of a similar nature, it will be possible to dispense with rowannahs; for otherwise goods, which may have paid duties at Allahabad, Mirzapore, Calcutta, or Chittagong, may again be liable to the payment of similar duties, should the trader quit the protective belts, and afterwards be called by the course of traffic, with the same goods to Bundlecund, Agra, Dehli, or Saharunpore, at all of which places it appears to be intended that *inland custom houses* shall continue to be maintained. Moreover, without rowannahs, goods, which had paid the duties at any of the custom houses alluded to, might be liable on their exportation by sea at Calcutta to the payment of the same duties over again at that place: so

that it must, we conceive, be necessary, in order to guard against such double payments, to continue the rowannah system.

PAGE 103 Line 6. 224. The old danger of entrusting to one frontier line the collection of duties at the rate of 7½ and 10 per cent. always obtrudes itself, either that line must be enormously expensive, or inefficient; in either case the revenue must suffer, and the financial results of the proposed system shewn by the Report be greatly diminished.

PAGE 103 Line 19. 225. The duty on salt is a source of revenue which, if available at all, is equally available under our present system, and in addition to our present collections.

PAGE 103 Line 26. 226. It is not this cause alone which operates to prevent the introduction of the western salts, but also the length of carriage, and consequently increased price. It was a principal object of Regulation XVI. of 1829, as already explained, to bring the article to the consumer of western salt on the Benares frontier, nearly at an equality in point of price with that paid by the consumer in Behar for the Bengal salt.

PAGE 106 Line 33. 227. A consumption of only 15,18,691 maunds, in the tract and by the population adverted to in the Report, affords the strongest presumptive evidence of illicit* dealing to a very great extent. But this has little to do with the proposed change in the inland transit duty system. If the smuggling of salt is susceptible of check, and the revenue can be increased, the one can be checked and the other increased under the present system, precisely as well as under that in contemplation.

* Though we admit this fact, still it must not be concealed that consumption, in any given year of any particular article, cannot be estimated from the quantity of the article which may be shown to have paid duty in that year; since under the existing system, which allows goods, and salt among the rest, to remain covered by rowannahs for two entire years, it is not at all unlikely that goods which may have paid duty in one year, may be consumed in another totally different; so that in this view of the case the consumption of salt *under rowannahs* in any one year cannot well be assumed at only maunds 15,18,691.

PAGE 107 Line 6. 228. The preventive arrangements appear to us infinitely more difficult in the Western provinces than in Bengal, simply because in the latter the protective line is confined to the great water routes by which alone it is assumed salt in any very considerable quantity can reach the districts supplied under our monopoly system. It has often been doubted whether the chokeys placed to watch the manufacture are of the slightest use; nor do we believe that any single line or belt of chokeys to prevent the article from being carried from those places of manufacture would be a sufficient protection to the revenue. It is protected, first, by our system of advances which makes it difficult for the manufacturer to produce in an ordinary season very much more than he is bound to deliver to the agent; next, by the great expence of land carriage in Bengal, which compels persons conveying any considerable quantity of salt, particularly from the agencies east of the Hooghly, to follow the course of the internal navigation; and lastly, by the system of a double or triple line of chokeys under different authorities, situated on the rivers by which salt can be conveyed with the least cost and greatest convenience to the districts where it is consumed. The rewards on seizure are considerable; it may therefore readily be imagined that it is in general better for a dealer to proceed rather honestly in the purchase of his salt, and in taking out his rowannah, than to bribe his way through chokey after chokey, at each one of which he must pay pretty nearly the sum which the officers would realize by making a seizure of the article illicitly in transit. Considerable smuggling no doubt goes on by land, especially from the agencies to the westward of the Hooghly; but still perhaps to no extent likely to affect the revenue very materially; for the expence of transporting a bulky article like salt by land, through the trackless jeels of a country traversed in all directions by nullahs, may readily be imagined. As long as, by far the larger portion must be transported by water, our system is almost sufficient to explain the difference between the consumption of the provinces to the eastward, and of those to the westward of Benares.

229. But even if the consumption in both the divisions of the country alluded to was equal, and even if the entire consumption

in both divisions was brought under complete controul, still the receipts on the monopoly salt must always exhibit at a larger amount than the receipts on the western salts; because, in the one case, the entire cost and charges of the article to Government are included—in the other, the cost and charges are excluded, and nothing more brought to credit than the simple duty on the article. This will partly account for the great difference, noticed in the Report of the western salts exhibiting a receipt of less than sixteen lacs, and of the monopoly salt a receipt of considerably upwards of a crore of rupees; but doubtless that difference ought to be greatly reduced, if the smuggling of western salts was placed under proper check.

PAGE 109 Line 9. 230. Here we see symptoms of that heavy expence which, we think, must inevitably attend the establishment of an efficient and trustworthy preventive line from Badsha Mehal to Mirzapore; yet this expence is not debited against his system by Mr. Trevelyan in his comparative statements at pages 99, 100 and 101 of the Report, as it certainly ought to be to shew a fair comparison.

PAGE 109 Line 10. 231. At page 53 of the Report it is assumed "that no respectable man will accept of a situation in the customs "department, and that none but the lowest and most degraded "class of educated people ever enter the department," where it is further assumed "that the name of customs karindah or "head chokey officer is almost synonymous with rogue." Yet it would seem from Mr. Fraser's statement, quoted in the Report, that parties prefer a situation in the customs department to one elsewhere, at double the salary, which certainly does not shew that persons of the very worst description alone enter the customs department; for, in that case, those able to procure appointments in other departments would never desire to become a custom house officer, and so risk their good name and character.

PAGE 111 Line 15. 232. We would submit that this is rather too broadly assumed as the chokeys on the Jumna, and the

Agra patrolling system, afford evidence. That sufficient has not been done for the protection of this frontier is very probable; but the question is whether any single line or belt of chokeys will afford the protection required by Mr. Trevelyan's scheme.

PAGE 112 Line 9. 233. The duty on salt would have been completely secured, if the intention of clause third, Section 18, Regulation IX. of 1810, had been carefully observed.

PAGE 112 Line 20. 234. The officers of the customs department are specially required, by Section 41, Regulation IX. of 1810, to propose such rules as appear to them calculated to promote the better collection of the customs; we do not therefore exactly comprehend what is meant by the observation in the Report, that, "If the custom house officers had been left to themselves, they "would naturally have directed their efforts to guard the line of "the frontier, upon which nearly the whole trade of the country "is concentrated," for they were fully at liberty, under the rule adverted to, to have proposed this or any other arrangement, which they thought to be absolutely necessary for the better collection of the existing duties.

PAGE 113 Line 44. 235. This is a great evil pointed out, but no remedy proposed. In the event of establishing a perfect line on the Western frontier, a remedy might perhaps be available; viz. strictly limiting the period of the rowannahs currency to the time sufficient for the transit of the salt through the preventive line or belt: but after all it is clear that the efficient working of such a system must depend upon the honesty of the agents of Government at any single point on a long line. An officer who would pass a rowannah without endorsing it would pass the goods without a rowannah at all; while the merchant's danger in crossing a narrow belt with his goods unprotected, and where while in transit they would not probably fall under the observation of many officers, would not be very great.

PAGE 111 Line 7. 236. The Report here maintains the necessity of taking out rowannahs for goods, and of endorsing and registering them at the chokeys, even under the new system of subjecting them to inland duties; though at pages 101 and 102 it was left to be supposed that on the adoption of that system we could very well dispense with rowannahs altogether, and though the use of rowannahs has, at pages 15 and 16, been brought as a strong objection to the existing system.

PAGE 114 Line 11. 237. The patrolling system is already in force in the Western provinces, and doubtless its extension is an object deserving of the utmost consideration; it must be a strong patrolling force, however, to cover the frontier from the point at which the Jumna leaves the hills to Mirzapore.

PAGE 114 Line 33. 238. All this has been known for years, and the evil and its remedy canvassed until our shelves are laden with the vast weight of correspondence which has arisen on the subject.

PAGE 114 Line 35. 239. This is precisely the law as it stands in Regulation I. of 1812. Under Section 24 of that enactment goods found within a line of chokeys are declared liable to double duties or confiscation, if the rowannah by which they are accompanied be not endorsed in the manner prescribed by law; perhaps the words "double duties" had better have been omitted and confiscation alone declared to be the penalty; but then it was contemplated that a man might have brought his goods within the line from carelessness or want of acquaintance with the law, and in such a case it might have been severe to punish him as if for deliberate fraud.

PAGE 115 Line 13. 240. Why obscure? It is just as palpable as any other Regulation, a great deal longer than many, and consequently less likely to be overlooked.

PAGE 115 Line 17. 241. That is to say, according to our interpretation of the law, if the goods shall be discovered with unen-

dorsed rowannahs at the time of transit, in other words at the time they are crossing the chokey line—if they shall be watched by a custom house officer in their passage from one side of the line to the other—if they are seized immediately after they have effected such a passage, and when there is a positive proof available that the passage was clandestinely made—We have already stated our views on the subject to Government at length, and on more than one occasion.

PAGE 113 Line 30. 242. If this be a correct description, then, as we have before remarked, the sooner the system is altered the better. We would merely observe that the special rule of Regulation IX. of 1810, with respect to salt, and which renders that article liable to seizure *any where* in transit, if unaccompanied by a rowannah, would appear to bear out our views as to other articles of merchandize *not* being liable to any interference beyond that which we have always maintained to be alone legal.

PAGE 116 Line 10. 243. Again we apprehend the expence (much as we approve of the theory) which will attend the protection of a preventive line, about six hundred miles long and from six to twenty miles broad. Indeed we do not feel perfectly satisfied with the projected breadth, if the term may be employed, of the cordon. It would give the merchants a pretext for establishing depots within its breadth, which would no less be depots for all smuggled salt that could be run across one frontier, and for that intended to be carried across the other; yet how could they be interfered with when the dealers would declare that they were established for the supply of the inhabitants of the belt or line (who must be pretty numerous from Badsha Mehal to Allahabad) between the stream of the Jumna and a distance of ten miles on each side from its banks.

PAGE 116 Line 39. 244. Certainly our custom house law seems hardly to have had a fair share of consideration bestowed upon it, which may perhaps account for many of the evils charged against the system. It would seem to require no great stretch

of understanding to comprehend why the protecting document should be required by law to accompany the article protected.

PAGE 117 Line 9. 245. Here are the patrolling officers to whom we alluded in a former remark. The scheme is no new one.

PAGE 117 Line 19. 246. We have already noticed the inconsistency, which the new system will establish, of having goods protected by rowannahs, when the use of those documents has been urged as a strong objection to the continuance of the existing system; and we have now to notice a similar inconsistency, namely, that of having goods, even when accompanied by endorsed rowannahs, stopped and searched by patrolling officers in order to ascertain whether the endorsement is correct, and next, whether the merchant is entitled to the use of the documents; although, in the objections urged against the existing system, the right of stoppage and search on the part of the chokey and patrolling officers in cases, especially where goods happened to be accompanied by rowannahs, is what has been particularly noticed and condemned in the Report.

PAGE 118 Line 5. 247. The whole object of our present system is to prevent goods passing a chokey *into* or *out* of the limits of a custom house, without rowannahs or with rowannahs unindorsed; and however imperfect or burthensome the system may be (no doubt it is both,) it still provides that check, the want of which will we fear render doubtful the result of the experiment of a single preventive line. We have already explained, in remark 228, how the check in question operates with respect to our salt monopoly system; and as far as that branch of the public revenue is concerned, we think it more surely and more cheaply protected by chokeys established line within line on the principal routes by which the article must be transported to places of ultimate consumption, than it could be by a best single line or cordon close to the districts of manufacture, and the best patrolling establishment which the State could afford to maintain.

PAGE 118 Line 28. 248. We entirely agree in every word of this remark. The duties of a collector of customs are no less unpleasant than burthensome and vexatious; and where is the motive to incur all the trouble and odium they impose, while an officer has other duties to plead as an excuse to the State and perhaps to himself? Those duties too being of a nature deeply interesting in themselves, while their efficient performance leads both to honor and promotion. We fear that very many of the evils of the customs system have originated in the great error of underestimating the importance of its being properly and zealously administered both to the welfare of the country, and to the revenue of the State.

PAGE 118 Line 32. 249. We cannot altogether admit this; that there are obscurities and intricacies in our custom code cannot be denied, but on the whole we should say that with some modifications of no very extensive description it would be sufficiently simple, and therefore better adapted to this semi-barbarous country, where simplicity and briefness are most essential in legislation than a more complete and elaborate scheme. The laws are ill understood, but not "*therefore.*" They are ill understood because, after the fashion of the country, no one will take the trouble to understand them. The English merchants here live in the most astonishing ignorance on the subject, and will often frankly avow that they care little and know less about our Regulations. The natives are left to find them out as they best may from practice and habit; for it is no very rash assumption to believe that there are not five hundred copies of our custom law printed in the native languages throughout the empire.

PAGE 110 Line 2. 250. This is rather a startling assertion, for the correction of which we beg to refer to Section 30, (clause first,) Regulation IX. of 1810, and Section 24, Regulation I. of 1812. The first, Section 30, Regulation IX. of 1810, declares that duties are to be paid and rowannahs to be taken out previously to dutiable goods passing or attempting to pass within the limits of the chokeys, under pain of double duties in one

case provided, and confiscation in another. The second, Section 24, Regulation I. of 1812, declares that dutiable goods found within chokeys shall be liable either to double duties or confiscation, if the rowannah be not endorsed. We find no obscurity here. It would be well for the public, however disastrous for the Bar, if every British Act of Parliament were half as explicit.

PAGE 119 Line 6. 251. The prevailing idea, in other words the ignorant "taking for granted" of half the minds in India, that a system which they never reflected upon for half an hour must be exceedingly oppressive and bad, is nothing more than the offspring of that benevolent humanity which finds it much easier to sympathize with grievances, than to enquire whether they really exist. It was just the same respecting the Molunghees, but that absurdity has happily passed away; in fact it is the peculiar constitution of the English mind to complain for itself and for all others, and greatly to sympathize with all wrongs, real or imaginary, until the sympathizing party is called upon to make personal sacrifices for their relief. It is wonderful how much less interest the mercantile community took in the abolition of the transit duties, when it became probable that additional duties on goods imported by sea would be found necessary to replace the amount of the revenue yielded by the transit duties.

PAGE 119 Line 19. 252. To levy customs duties rigidly from all alike, if they are levied at all, is of course absolutely necessary; but this we fear will not be effected under the principle of taxation proposed to be adopted, as only those goods which may cross the frontier or may remain to the westward of the Jumna will be taxed, and those not so moved are to be free; in other words indigo, sugar, cotton, gums, drugs, cloths, &c. if brought from the westward of the Jumna for sale in the Gangetic provinces, will be burthened with duties, while similar goods, the produce or manufacture of those provinces, would be free; trade upon such unequal terms cannot long be maintained, and it will either be totally abandoned, or it will fall into the hands of smugglers, the

very class who are intended to be shut out of the market; supposing neither of these effects to be produced, yet it would be impossible to bring the entire trade which may cross the Jumna under complete contribution.

PAGE 119 Line 27. 253. Amongst a demoralized people like this, we fear it is rather too much to expect that smuggling will be greatly prevented by men's tenderness for their reputation. We have first to see people dismissed for the most profligate and oppressive acts from public employment less considered or apparently less respected by their fellow countrymen. A man to whom lying before God, in certain cases, is enjoined by his religion, is not likely to be very much startled at the idea of cheating the State. But, unfortunately, it is not in India alone, nor amongst Asiatics, that smuggling is looked upon rather as an escapade or peccadillo than an offence. Let the collector of Calcutta customs be called upon to declare his opinion, founded on experience, as to what British integrity is occasionally capable of even to escape our light import duties. The writer of this note remembers a case, many years ago, where a gentleman very highly respected, popular, and well known in this metropolis, landed 30,000 rupees worth of dutiable articles at Garden Reach, and brought them into town in his carriage, evading thereby the question of the native custom house officers at Kidderpore bridge. This was to save a duty of 2½ per cent.

254. It may also be asked—can the State afford to give any salaries to the chokey officers equal in amount to what the Report, in a variety of places, shews is made by them in conniving at the smuggling of salt? and so long as the trade in this article continues to hold out the profit it now does to the custom house officers, it will be hopeless, we fear, to expect a fair and unflinching application of the rules which may be established for the collection of this branch of the revenue.

PAGE 120 Line 5. 255. Mr. Maculloch is a very great authority, and it seems presumptuous to question his dictum, but he

appears to overlook, that in diminishing the temptations to engage in smuggling he also diminishes the public resources. If it was a mere question of putting a stop to smuggling, of course there would be no difficulty whatever in disposing of it; but the desideratum is the *largest* amount of revenue* with the *least* smuggling. Armies of excise and revenue officers may not be able to prevent smuggling, but they may be able to maintain the revenue at a greater amount than could possibly be collected with low duties and no smuggling. Take the article tobacco for instance —it pays an enormous duty in England of from three to nine shillings the pound; it is very much hampered with special rules; it is known to be smuggled in vast quantities: without the most rigorous precautions, and an army of excise and custom house officers, it would in all probability be nearly *all* smuggled; but still the customs duty on tobacco produces about £2,000,000 per annum: now it is only necessary to reduce the duty on tobacco to threepence or three halfpence per lb. and the probability is that no one will trouble themselves to smuggle it; but what becomes of the £2,000,000 per annum? Even Mr. Maculloch himself might pause before he assumed that the revenue would not suffer because people would consume, under low duties, from twelve to thirty-six times the quantity of tobacco and snuff, which they consume under high duties. They might double or treble their pipes or snuff boxes, but that would go but a short way towards replacing the revenue which had been relinquished to put down smuggling. But Mr. Maculloch's argument, if it is opposed to the maintenance of high duties (and in the present enquiry it is only with respect to the article of salt that his objection can be urged) is equally opposed to cordons of chokeys and to preventive establishments; though both of these are proposed to be more rigorously maintained in bringing the trade, which may cross the Western or Jumna frontier, under contribution than at present; and may it not be

* It is always assumed throughout these notes, that the revenue is absolutely *indispensable for the legitimate purposes of good, honest, and economical Government*; if it be not, there is a much more simple process at hand than perplexing ourselves with questions touching duties and monopolies.

said that, by guarding the frontier line to the westward in the manner proposed, or so as that nothing liable to duty shall be allowed to escape, the country in that quarter will, as observed by the authority quoted in the Report, be made "the theatre of "ferocious and bloody contests in the field, and of perjury and "chicanery in the courts of law."

PAGE 120 Line 46. 256. Less than £30,000 may *now* be laid out, but what will be laid out before the cordon on the Western frontier is established and effective.

PAGE 121 Line 22. 257. The effects of Regulation XVI. of 1829 have not been correctly estimated in the Report, as we shall presently shew. That Regulation was passed on the 24th November 1829, and was not forwarded to the several custom houses until January 1830; but the arrangements for carrying its provisions into effect were not completed, at some of the stations, even at the date of the transfer in February 1833 of the Western custom houses to the controul of the Sudder Board of Revenue at Allahabad. It is therefore not correct to assume that the salt duties in 1829 were collected with reference to the rates fixed by that Regulation; for in that year no benefit whatever was derived by the revenue from that Regulation. The salt trade had in fact already commenced when it was passed; and, long before it reached any of the custom houses where the article is liable to duty, all the rowannahs required for the produce of the year 1829 must have been obtained: for the salt trade commences, we understand, towards the latter end of September, and by the middle of November or December all the rowannahs for the article are taken out. In 1830 again, when the Regulation was in operation, still its provisions were not fully available, as the rowannahs taken out in 1829 were renewable for another year, and must we fear have been renewed in many instances to cover the produce of 1830; for salt in common with other articles is allowed to remain covered by rowannahs for two years. Moreover the receipts of 1830 were affected by two other circumstances—

First—by a larger quantity of salt which was in store at Noh, amounting to upwards of two lacs of maunds, having been sold on account of Government to individuals on the payment of the old or reduced rates of duty;—and next, by the salt which had been stored at Jhoosee for consumption in Benares, previously to the promulgation of the new Regulation, being allowed to be carried into Benares without the payment of the enhanced duties. Notwithstanding, however, all these drawbacks, and notwithstanding the want of a strong and efficient preventive establishment, the provisions of Regulation XVI. of 1829, have, as far as revenue is concerned, answered the purpose for which it was enacted; since the longer it is in operation the greater is the amount it adds to the revenue. The following particulars will fully establish this position:

Under the old rates, or from the 1st January to the 31st December 1829, the entire amount of the duties collected on salt at all the established custom houses, including Delhi, was	Rs.	12,28,690
Under the new rates, or similarly from the 1st January to the 31st December 1830, the duties amounted to	Rs.	14,84,424
Ditto ditto from the 1st January to the 31st December 1831, the duties amounted to	Rs.	18,23,660

Thus it will be seen that in the two latter years the receipts were in excess of those realized in the year 1829 by rupees 8,50,704 in the aggregate; or giving an average annual increase of rupees 4,25,352, instead of only rupees 32,672, as assumed in the Report. We have no knowledge how the items in the Report were ascertained; but the particulars noted by us have been taken from the actual returns of collections furnished to us from the collectors themselves.

PAGE 121 Line 30. 258. We have shewn that it has by no means "turned out a signal failure;" but it is very probable that all has not been effected which might have been anticipated: an attempt

to levy high duties without a strong and efficient preventive establishment is, of course, an absurdity; so far as the scheme *has* failed, it may be said to have done so as many other schemes have failed in this country, from attempting to accomplish a great object with inadequate means, because it was cheaper to make the attempt in that way than in any other.

259. If we will not sow we cannot expect to reap. In this country there are always admirable rules devised for sowing, but when they come to be carried into practice, the expence of the grain, and not the harvest, appears to be the principal object of consideration. Our own impression is that the western salt revenue might be made enormously productive, but only at a very startling expence, yet an expence which any private merchant would incur for the sake of the returns. Lay out five lacs of rupees per annum in an efficient establishment, and then see if that will not prevent the introduction of illicit salt on the Western frontier, and make the salt revenue in the Upper provinces bear a just proportion, due allowance being made for difference in the rate of duty to that realized in Bengal. If it approximated as nearly as it ought to the Bengal salt revenue, the cost of collection at five lacs of rupees per annum would not be high for an Indian revenue.

PAGE 121 Line 45. PAGE 122 Line 8. 260. It appears not to be kept in mind that Regulation XVI. of 1829, must have found a very large quantity of salt, imported previous to the law being passed, at all the great marts in the Western provinces or in transit within our frontier; this was foreseen and provided for by clause second, Section 3, Regulation XVI. of 1829, but the following Section made no provision for salt in transit into Benares, but rendered it liable to the additional duty of one rupee per maund from the date of the passing of the enactment, and thence the increase at Allahabad which is remarked upon in the Report.

261. We have shewn however that the annual increase in the amount of the salt duties, since Regulation XVI. of

1829 came into operation, has not been rupees 32,672, but rupees 4,25,352; which is only fifty thousand rupees less than the amount which the Report assumes ought to be yielded by the enhanced duties imposed by that Regulation—such being the case, although in our opinion the revenue ought to be infinitely more productive, we think that the charge brought against the Regulation, of either diminishing the consumption of salt or increasing the amount of smuggling, must be materially weakened; for that charge appears to be founded on an assumption that the receipts under Regulation XVI. of 1829 had increased to the extent only of rupees 32,672, whereas in 1830 the increase was rupees 2,55,734, and in 1831 rupees 5,94,970, giving an annual average for those two years, as we have before shewn, of rupees 4,25,352.

PAGE 122 Line 26. 262. We assuredly cannot impose "*any* duty we please at Allahabad;" we can only impose such a duty as to leave water carriage *and* duty less expensive than land carriage, and no duty, or we shall drive the salt round through Bundlecund and Oude.

PAGE 122 Line 42. 263. Vide remark in observation No. 178.

PAGE 123, 123. 123 Line 15. 123 Line 37. 264. May not this be partly accounted for by the cause adverted to in observation 260? But may it not be still more attributable to an imperfect preventive system? The duty of one rupee eight annas per maund surely cannot be considered as bearing very heavily on the consumer, *which after all is the principal point to be considered;* and if therefore by a strong preventive system we could secure the whole amount to the State, there appears no good reason why it should not be so secured. Assuming that with all charges these salts, used probably only by such of the people as are comfortably circumstanced, reach the consumer at the rate of three rupees per maund, (one and a half being the tax) he pays little more than three annas in the year beyond what he would pay if the whole duty were remitted; in other words, only seven annas per annum for the salt he consumes, including both cost and tax; the cost being three

annas and a half, and the tax being three annas and a half. In Bengal and Behar the consumer pays from twelve annas to one rupee a year for his salt, that price including both cost and tax.

PAGE 123 Line 42. 265. This perhaps renders the rate of the tax upon Sambhur and Lahore salt still less objectionable; because it leaves another kind of salt available to those consumers, who cannot afford or will not spend their money to procure the finer descriptions; after all, however, there may be no great objection to make the tax on the various kinds of salt equal; the only question is, whether to equalize it by making both pay one rupee four annas per maund, or both pay one rupee. If the collection of the whole revenue could be secured by a strong and sound preventive system, then we should say the former, because as we have before observed, even the tax of one rupee eight annas cannot be assumed to press upon consumers.

PAGE 124 Line 5. 266. The risk in smuggling salt is stated to be only the value of that article, which is estimated to be in the proportion of one rupee against two rupees, the duty to be saved; but the risk is considerably greater and more than the mere duty chargeable on the article; for whenever it is seized unprotected by rowannahs, the law subjects it to confiscation as well as the animals or vehicles by which it is conveyed. Now, as salt is conveyed chiefly on bullocks, it is likely that on a despatch of 600 maunds the value of the property risked, including that of the bullocks, will amount to two or three thousand rupees while the duty attempted to be evaded will not exceed 1,200 rupees; the risk therefore will, it appears to us, be in every case greater than the amount of the duty sought to be saved.

PAGE 124 Line 23. 267. This we can scarcely receive as a sound argument. The tax on Sambhur was one rupee, it is raised to one rupee eight annas* per maund. A man consuming six

* To the consumers below Allahabad the duty has been increased to two rupees eight annas per maund.

seers of salt per annum would, therefore, under the operation of Regulation XVI. of 1829, pay, as before observed, seven annas* for his year's supply. Under Regulation XVII. of 1810, he paid† six annas for his year's supply. To assume that the additional price of one anna per annum would place Sambhur salt beyond the reach of those who used to consume it before that enhancement took place, is to assume a position beyond all credibility. The enhancement of the duty from one rupee to one rupee eight annas, may have set the smuggler more actively devising how to evade making so large an additional advance to the revenue; but we can never believe that it operated to prevent consumption to the extent supposed in the Report. On this point, however, the Sudder Board of Revenue at Allahabad will no doubt be prepared to offer a much better opinion than any which we could pretend to submit.

PAGE 125 Line 10. 268. If it be admitted that the addition of one anna in the year to an individual's expences is likely to lead to the result, or can be admitted to have diminished the consumption, then the proposition to reduce and equalize the duties ought to be adopted. Our own impression is, as already stated, that the additional duty is not likely materially to diminish consumption though it is likely to increase smuggling. The merchant has to advance 500 rupees per 1,000 maunds in excess of what he paid under former Regulations. In a large trade this is a serious consideration, and no doubt the advance will be evaded if possible; but we should have no scruple in maintaining the duty at one rupee eight annas, either with reference to the comfort of the people, or in the face of any chance that it would diminish consumption, if we could only prevent the importers of the article from evading the duty proposed to be levied on it.

PAGE 125 Line 35. 269. We have only to refer to former remarks in this note on the subject of a single line. We confess we could

* At a price including tax of three rupees per maund.

† At a price including tax of two rupees eight annas per maund.

feel no confidence in darogahs at 30 and 50 rupees per mensem, where a break in one part of the line would be a certain fortune to the individual who might connive at it. Our only hope for the revenue, with ill paid and dishonest officers, rests on line within line of chokeys; so that it shall be a more expensive process for the dealer to bribe his way through so many cordons than to pay the duties. Upon this principle we have already offered ample remarks; we look upon it as the main support of our customs revenue, but whether its maintenance is worth the evils which it necessarily involves, is another question.

270. The irregular course, sketched in the Report as the line on which chokeys are under the proposed new system to be planted, makes that line much longer than what we had at first supposed it to be. We should like to know the precise length of this line, the number of chokeys to be upon it, the distances of one from the other, and the number of the officers of every class to be attached to each, so that we might be able to estimate the expence of the whole, and to judge how far the chokeys will be sufficient to guard the line efficiently.

Page 126 Line 10. 271. This is dividing markets and placing subjects of the same Government in positions of inequality, the very evil which has been so loudly urged against our present system, and which at page 119 is shewn to be the principal cause of smuggling; so long as a duty is levied any where, excepting on the boundary line which divides our own from foreign territories, it assumes the shape of an inland transit duty, with less of evils perhaps, (though as shewn at remark 275 this is problematical) when levied on a single line, but also less to be depended upon as a national resource.

Page 126 Line 35. 272. But all this does not compensate the producer of articles peculiar to the country thus cut off, and who formerly found a market in the districts from which he is separated by the customs line.

PAGE 129 Line 31. 273. The only apprehension is that salt might find its way by this route into our rowannah provinces. There is perhaps not much danger of this, or much protection against it, from the restrictions upon the Bundlecund salt trade: still it is a point worthy of some consideration; for by raising the price of salt on the people of Bundlecund, it is prevented from being carried into marts where it would interfere with the revenue; and thus the arrangement indirectly contributes to the public resources, though only to an insignificant extent directly, as is shewn by the Report.

PAGE 130 Line 22. 274. If the Chiefs of Jaloun and Bamany will neither cede or sell, it appears not only that our frontier line will be imperfect, but that to a certain extent we shall still be obliged to keep up the practice, so greatly objected to, of stopping and searching boats proceeding up or down the river.

PAGE 130 Line 33. 275. Here is an ample opening for all the evils of the present system, and probably those evils will be extended over a much greater number of square miles than they are at present. Here is a line proposed, say six or seven hundred miles long, and* twenty miles broad, equal to 14,000 square miles; within this space nothing can be allowed to pass unquestioned, or the whole revenue is risked. Well the questions are asked. The goods are without rowannahs—why are they without rowannahs, they being dutiable goods? The reply is very simple—they have not been brought across the Western frontier line; they are not going across the Eastern frontier line; *they have been produced on the banks of the Jumna, and they are only passing from place to place within the preventive limits.* Now either this excuse must be admitted, or there must be a rigid prohibition against any article liable to duty being moved within the protective territory without being first covered by a pass;

* This is for salt;—for ordinary goods a line of eight miles broad is proposed; but every thing in transit within the belt of twenty miles must be examined, in order to determine whether it is salt or not.

then let it be considered that in this very territory—owing to a natural cause, viz. its following the course of the two principal navigable rivers in the empire—lie more great cities, and populous towns and villages, than probably in any similar extent of country throughout India; and then imagine the system of passes for every thing before it can be moved from one village to the next, or to the next town, or to the next city. Here, indeed, would be in full operation, over an extent of territory equal to a considerable kingdom, those evils which, in Bengal at least, are confined to the vicinity of custom houses. Yet relinquish the check and trace the probable result of such relinquishment. The smuggler in the course of six hours of a dark night runs his whole adventure into a place of safety; for if met by the patrolling officers *within* the eight miles of boundary territory, the goods will *of course* be moving from place to place within that limit; the next part of the process is merely to watch a favorable opportunity, and run the goods out again towards the quarter for which they are destined.

276. We confess we perceive no method by which the evil supposed can be guarded against, except prohibiting the moving of any goods whatever, liable to duty, within the boundary territory, unless they are previously covered by rowannahs or other protective papers; and this, as we have already observed, would surely be any thing rather than decreasing the evils of our customs system.

PAGE 131 Line 5. 277. But, says Mr. Trevelyan, "after the "tariff has been revised, the demand for duty will be confined to "a much smaller number of goods than is the case at present." On this we have to offer two remarks. First—and this it is particularly requisite to bear in mind—*that, so long as one article is liable to a customs duty, every despatch of goods, every hackery or bullock load must be examined at existing chokeys or custom houses, to determine whether it is or is not that one, or whether that one dutiable article may not be concealed amongst other articles which are not liable to duty.*

Secondly. A vast deduction, at least so it appears to us, must be made from the amount of revenue carried to the credit of the proposed customs scheme, if the number of articles on which duty is leviable be materially reduced. There is in favor of Mr. Trevelyan's Report a net customs revenue of 32,05,430 rupees;* but this amount is obtained from duties on the entire number of articles now liable to the customs impost; surely the author of the Report does not mean that the same amount could be realized if the number of articles liable to customs duty was materially reduced. If it could not be realized, *then* all the calculations in the Report must be corrected, and the correction cannot fail to tell greatly against the revenue results assumed for the proposed scheme.

278. We think that we comprehend how Mr. Trevelyan has been misled into imagining that a great number of articles could be struck out from the inland transit duty list, without materially affecting the revenue, because the collections on those articles, *as shewn by the custom house accounts,* are quite insignificant. For instance, Mr. Trevelyan may have referred to a statement, which was furnished from this office, shewing the amount of inland duties realized at the several custom houses for *three* years, he may have found that the article *alum* had only yielded during that period four hundred and eighty rupees in the shape of duty; but during the three years in question there is credited, under the head of duty levied upon *sundries,* a sum amounting to rupees 6,13,452; and under this head, if it could be traced, there would probably be found to have been levied on the article *alum* ten or twenty times the amount really set down opposite to it.

279. If Mr. Trevelyan imagines that the whole forty-one lacs of rupees, which his Report takes credit for, can be levied upon the few great staples of the country, we fear that experiment would prove the calculation to be erroneous, (we mean at the present rates of duty) especially if it be intended, as the Report

* As corrected by these notes, especially by remark 217.

intimates, that on cotton, at present one of our most productive staples, the inland duty is to be taken off; but if the whole amount could be levied upon those articles, even after excluding cotton, it would not get rid of those evils already adverted to; namely, the examination of goods, to determine whether they *are* or are *not* of the description on which duty is leviable.

Page 131 Line 13. 280. But will it not speedily become the place of production? Let it be considered that the production of a tract of country, six or seven hundred miles in length and from eight to twenty miles in width, situated on the banks of rivers overflowing periodically, will be far from insignificant. Let it further be considered, that, on whichever side of the river the places of production are established, the products will only have to be run through half the preventive territory, in order to reach marts which others can only reach by running through its whole breadth, and crossing a great river. We think that under such circumstances the protective territory, so far from not being able to boast of a single staple, would speedily become exceedingly productive, having the inestimable advantage of the river on one side, and on the other of markets which can only be reached by competitors, who have either paid customs duties or been forced to incur greater risk in running their goods. Now the only preventive is to examine all goods in transit within the protective limits, and not to allow any dutiable goods to pass unless they are covered by rowannahs; but this, as we have before submitted, would be spreading still more widely those very evils for the cure of which the projected scheme is recommended.

Page 131 Line 35. 281. We certainly are not sufficiently acquainted with the nature of the country above the junction of the Jumna and the Chumbul, but we should be very apprehensive, from all we can learn, that it will afford but a very insufficient protective line, except at an immense cost; the frontier we believe being wide, open, and free from those natural difficulties which operate to compel commerce to take certain invariable routes.

PAGE 133 Line 4. 282. Under any circumstances a double line of chokeys, for the protection of the salt revenue, appears indispensable. It is following up our Bengal system, under which a much higher rate of duty than ten per cent. is levied upon salt. But nothing will avail unless the currency of the salt rowannahs, under which western salts are imported, be restricted. Passes given at the first line should be returnable at the second or inner line on the goods passing that line, and only have so much currency as is reasonable to enable them to reach the second line. Salt, proposed to be consumed within the first and second line, should be covered by a pass, not available for its protection beyond the intermediate space between the two lines; and all salt found between the two lines without being protected by one or other description of document should be confiscated. Of course there is still an obvious opening for abuse, which cannot be closed without exposing the intermediate tract of country between the two lines to all those vexations, which it is the object of the present scheme to remedy.

PAGE 133 Line 10. 283. To this proposition many of our former remarks are strictly applicable; the officers of the second line of chokeys must examine every despatch of merchandize, which passes that line, to ascertain whether it *is* salt, or whether it may not *conceal* that article. In the whole following paragraph of the Report the machinery of the customs, so much objected to, is proposed with scarcely any modification, nor is its application to be confined to any very limited space; still we confess that we do not perceive any other arrangement by which this valuable branch of the public resources could be secured.

PAGE 133 Line 35. 284. We perfectly agree in this view; but how is the plan of endorsement to be rigidly carried into effect? surely not by Darogahs of 25 or 30 rupees per month! if *they* were to be trusted to carry it into effect, we might rest very well satisfied that our collections, in all the departments under this Board, are exactly those which *ought* to be made on the public account and no more.

PAGE 134 Line 16. 285. The Report proposes under the new system to limit the currency of rowannahs, for all goods except salt, to one month; but suppose goods to take out rowannahs at Saharunpore and to be intended for exportation by sea, will one month be sufficient to admit of their reaching Calcutta, and of their being passed for exportation under protection of their rowannahs? If, however, it be intended that rowannahs are *not* to be used for goods exported by sea at Calcutta, how are the cases, in which goods have paid duty at Saharunpore and elsewhere on the inland frontier, to be distinguished from those in which no duties at all have been paid?

286. Again, if Mr. Trevelyan means that the rowannahs are to be relinquished at the expiration of a month, what protection will the goods have against the payment of double duties on exportation by sea from Calcutta, or how will they be protected from Saharunpore to Allahabad, if they came down by water or by land, when their route brings them within the protected belt?

PAGE 134 Line 41. 287. We entirely approve of the scheme of patrols if the single line be adopted, and to which their powers of interference with goods in transit should be rigidly limited; but then here comes the question of *expence*, which Mr. Trevelyan appears rather to have overlooked in placing the financial result of the proposed scheme, compared with the present, before Government; the charge of the patrols can only be confided to persons of some talent, of good character, and presumed integrity; they must be, we imagine, either Europeans, respectable East-Indians, or Natives of the higher class, to any of whom, considering the responsible, harassing, and even dangerous, nature of their duties, liberal allowances* ought to be assigned; but not only on

* Mr. Trevelyan himself at page 118 states it as his opinion, that the officer in charge of each patrol should be paid at from 300 to 500 rupees per mensem. There are to be 10 separate patrols; at the medium of the rates specified an outlay of 4,500 rupees per mensem, or 54,000 rupees per annum, will be necessary for the superintendents alone of the several patrols, independant of the charges for the horsemen, burkundauzes, and writers proposed to be employed, which cannot be estimated, as the wages to be allowed them are not stated.

this account ought their emoluments to be considerable, they must necessarily be entrusted with those very powers which our present race of custom house officers are said to abuse, and to abuse them *because* they are inadequately paid. The officers appointed to the patrol must *really* have these powers entrusted to them over an extensive tract of country, which has been *said*, though erroneously, to have been vested in our present custom house officers over a still greater space. The patrolling officers must have the power to convert the whole of the tract in question into one vast custom house, and to stop every article which may be in transit, even between one village and another; for, once more be it observed, how are they to ascertain whether the goods are dutiable or not, without examining the despatch? To revert to the expence, it must, we fear for the reasons explained, be a very considerable one; we should say that each patrol would cost from a thousand to fifteen hundred rupees per month to maintain it in an effective state; but, as we have already said, we think that a much greater outlay would be well incurred if we could only secure by it the entire revenue, which we are persuaded ought to be realized upon the salt consumed in the Western provinces.

PAGE 137 Line 17. 288. We concur, without reserve, in the view taken by the Report with respect to the rewards on seizures.

PAGE 137 Line 34. 289. We do not exactly perceive how this is to be accomplished without "domestic search and espionage;" as for what follows regarding the Bengal salt revenue, the scheme suggested is tantamount to an introduction of the excise system, which we trust would never receive the assent of Government, in a country where its adoption would open a door to abuses, compared with which we fear all those now complained of, arising either from the customs or salt system, would be trivial and not worth a thought.

PAGE 139 Line 31. 290. But if the order rendered a deviation from those particular routes penal, and if it rendered the goods liable to confiscation, then, unless some very unreasonable and out

of the way tract is prescribed as the legal one, the merchant will probably follow it. He should not have to carry his goods round. The legal road should be the natural one, which public convenience has created, and then no one could object to the arrangement. There are not probably fifty roads altogether across any frontier; and if the trade was confined to the routes in which it has always moved, there would not be much room for complaint.

Page 139 Line 34. 291. There is nothing new in all this except well paid chokey officers. Give a sufficient rate of pay to tempt honest men into the service, and to make it worth their while to keep their appointments, and the whole customs system may remain, with some necessary modifications, as it is ; we should hear little more either of its vexations or the abuses to which it is said to open the door.

Page 140 Line 13. 292. But leaving trade in general free to chuse its own route, still it becomes a question, whether the salt trade might not be confined to certain fixed routes.

Page 140 Line 32. 293. On these very accounts the employment of Tuhseeldars was objected to and discontinued ; and if their services are now made use of in the customs department to effect seizures, the proceeding is totally at variance with the Regulations and with the repeated orders of Government.

Page 140 Line 41. 294. After 140 pages to prove the odious nature of our customs system and the oppressive conduct of the custom house officers, it is rather startling to find that the result of the whole has been to establish a kind of sympathy between the oppressors and the oppressed ; while on the other hand the police and land revenue officers are said to be held by the native mercantile community, that is to say, by those who are oppressed by the custom officers, in special aversion. We certainly were not prepared for this result by the previous remarks on the conduct of the custom house officers.

PAGE 141 Line 23. PAGE 141 Line 35. 295. We cannot too strongly express our concurrence in these views. We feel that nearly every branch of revenue under this Board has been sacrificed to the system of throwing numerous distinct and incompatible duties upon one and the same individual. We have not the slightest doubt in our own minds, though the impression is one scarcely susceptible of proof, that lacs if not crores of rupees of the public revenue have been and are sacrificed by an arrangement which appeared at first sight to be recommended by its economy; our sentiments on this subject have often been before Government; and, on each occasion, we have seen less and less reason to doubt the accuracy of the impressions which we thought it our duty to submit.

PAGE 142 Line 2. 296. We would *not* so place it, or any other custom house. If the duties of the custom house are insufficient, let the collector have charge of two analogous branches of revenue, the stamps, the abkarry, perhaps the post office; but do not let him be placed in the position which has, we are persuaded, been so destructive to the branches of revenue under the administration of this Board. In other words do not give him two sets of duties to perform, the one set dull, always ungrateful, often vexatious, involving nothing more interesting than the knowledge and administration of the dryest details imaginable, laborious if properly performed, and scarcely offering a single chance of honor or promotion; the other set interesting in the extreme, the proper performance of which is palpably connected with the prosperity and happiness of all around, the proper performance of which secures the gratitude of the people, and at the same time gives the officer employed the noblest opportunities to obtain both distinction and advancement—can any one for a moment doubt which set of duties will be done and which set be left undone, if one officer be charged with both?

PAGE 143 Line 26. PAGE 143 Line 41. 297. Again we dissent. Pay a collector of customs half, or a quarter, of the aggregate salary, which he would receive if he held other appointments in other branches of the service; but make his office a substantive one

under the controul of one controlling authority. We know, better than *Mr.* Trevelyan, the difficulties arising from one officer being under two Boards. The constant reason assigned for neglect of the branches of revenue under this Board is, urgent occupation in that indisputably more important branch which is controlled by the Boards of Revenue.

PAGE 144 Line 7. 298. Again we dissent. We would rather have a junior covenanted officer at 500 rupees a month, or an uncovenanted officer as custom master only, than have the duties of the custom house combined in the hands of the ablest senior officer in the service with those of land revenue and police.

PAGE 144 Line 24. 299. The question however arises as to whether the custom establishments are instrumental in checking the trade; in illicit opium—perhaps they are not materially so.

PAGE 144 Line 43. 300. Granting that at present none of the great export staples are to be had any where but in our own territories, still, without the use of rowannahs, we do not see how the payment of duties twice even on those staples can be avoided under the proposed plan; that is, first at one or other of the new custom houses and again at Calcutta, on their being exported by sea. Within the space, however, intended to be assigned as the jurisdiction of the new custom houses, many of the articles now exported by sea are intended, we imagine, to pay inland duty; and unless this tax be altogether remitted they will continue to pay it, before they can be brought to Calcutta for exportation by sea. We allude particularly to cotton, indigo, shawls, and piece goods. Now if the duty on these should in any instance be paid at one of the new inland custom houses, the payment must necessarily, it appears to us, be in some way certified; otherwise on exportation by sea they will be mixed up with goods which had been brought down free, and be again subjected as exports to the payment of duties; other articles, such as alum, assafœtida, borax, aromatic seeds, spices, gums, and drugs will be similarly affected; but admitting that none of the articles exported by sea are brought

through the new custom houses, still this state of things cannot be expected to continue. Foreign native States may be induced to grow them in order to become independent of our territories, and to trade with less disadvantage with them than will otherwise be the case under the plan of duties contemplated in the Report; and, whenever this happens, we shall be obliged to change even that plan, and to reconstruct a table of duties, at least that part of it applicable to exports by sea, (unless before hand we provide for goods being exported free,) on which duties may be collected at any of the inland custom houses proposed to be established. Exporters to British Europe will expect not only this, but also the drawback now secured to them, if the inland duties should in any instance be higher than 2½ per cent.: for, by Acts of Parliament, this is the highest amount of duty which the Indian Governments are allowed to retain on goods which may be exported to British Europe.

PAGE 145 Line 36. 301. But what is to be done with the cotton produced in our own portion of Bundlecund? Is that to be treated as foreign? If not the drawback* system must come into operation, and then endeavours will be made to pass off every bale of foreign cotton for the cotton of Bundlecund. This is a point that must be well considered, and it is adverted to in what follows of the Report.

PAGE 146 Line 37. 302. The locality of India gives it a command of the China market as far as cotton is concerned; but the same locality is a disadvantage with respect to the English market. The article would bear a light export duty when carried to China if taxed alike, and not too high, in all parts of India; but not so on exportation to England, where it has to compete with the cotton

* The Report assumes that cotton, even on exportation to the United Kingdom, will have to pay the present duty of 5 per cent. at the Western frontier, without the return of any drawback; but by Act of Parliament, the Indian Governments are required to give up as drawback the entire amount of inland duty charged on the article whenever it is so exported, and exporters will never of course forego this benefit.

of the United States and other places. The Report seems to contemplate relinquishing all inland duty on cotton. If so, there will be another considerable item to be struck off from the amount taken credit for in favor of the new system.

PAGE 147 Line 6. 303. Doubtless the payment of drawback is open to the objections stated in the Report; but can it be discontinued if the rate of inland duty is in any instance to be more than 2½ per cent. without the sanction of the legislature at home? and will it be fair to deprive Country goods of this benefit when goods imported by sea will enjoy it, even in cases when the duty charged has not been more than 2½ per cent.? Will not again this discontinuance of drawback check the exportation by sea of Country goods? Any such check by crippling the productive powers of the country will, we fear, affect the revenue much more injuriously than the payment of any drawback, even if such payment were in every instance to be fraudulently obtained.

PAGE 147 Line 28. 304. Can we depend upon one line for the levy of a duty upon any article of 10 per cent.; this is the question which always obtrudes itself, and is probably only determinable by experiment.

PAGE 147 Line 29. 305. Here the Report proposes to fix a duty on Country goods exported by sea equal to the amount of the inland duties which now remains to Government, after the sum payable as drawback has been deducted. Now this will in fact be equivalent to allowing drawback upon goods not previously charged with any inland duty at one of the new custom houses in the interior, in comparison with those which may have been so charged with inland duties, and are to be exported without any part of those duties being returned as drawback. The injustice of this distinction must be obvious, and we are pretty sure that the exporters would not submit to it.

PAGE 147 Line 38. 306. The Report proposes to limit the demands for duty on the exportation by sea of Country goods to a

smaller number of articles than is now the case: if this be adopted how will the sum of rupees 6,75,224, now brought to the credit of the new system from exports by sea, be realized?

PAGE 148 Line 21. 307. The discriminating duties between British and foreign vessels, objected to in the Report, have been fixed by treaties with foreign powers, by which it is stipulated that the vessels of those powers shall not be required to pay in any case more than double of that, which, under precisely similar circumstances, British vessels may have to pay; but if these duties be wrong in principle, the same objection must be brought against our existing import by sea duties, which are similarly arranged, and a remodelling of the one must necessarily lead to a remodelling of the other; when as the rates are held to be too high, and they must of course be reduced, we shall have to make a further very considerable reduction from the amount brought to the credit of the proposed system.

PAGE 152 Line 38. 308. The system of varying rates of drawback according to flag and destination is, beyond doubt, intricate, complicated, and embarrassing in the extreme; but the whole question appears to resolve itself into this, viz. whether we are to allow French ships to carry goods from Calcutta to Singapore, or are by discriminating duties to confine this commerce to British ships. A vast field for discussion is opened by this question; which, in modified forms, has elicited such vehement and contradictory opinions at home: but, be it decided how it may, it is impossible to discover, at least so it appears to us, why at the present day the produce of India, if carried on a British ship to Great Britain, should be taxed, speaking generally, 2½ per cent. and if carried on a British ship to New South Wales, it should be taxed at 5 per cent. It may be said that, from the vicinity of the markets, the exports to places in Asia and Africa will bear the enhanced rate; but however this may have been the case formerly, when the absence of competition, more perhaps than the vicinity of markets, enabled the trade to bear the larger duties,

we doubt its being the case now. These are however questions to be decided by a committee entrusted with the revision of the tariff.

PAGE 154 Line 4. 309. We do not exactly perceive this. It may be assumed that the discriminating duties confined the trade in the directions specified to British* ships, and if so the tax certainly cannot be said to have "defeated its own end." It is a mere assumption to say, that if a moderate duty had been charged equally upon all vessels British and foreign, the trade would have so increased as to have yielded, up to the present day, "lacs or even crores of rupees in duty." The value of commerce might very possibly have remained nearly the same, and the only difference have been, that the carrying trade would have been more equally divided between British and foreign vessels.

PAGE 154 Line 15. 310. This is a question to be settled with the Parliament and people of Great Britain.

PAGE 154 Line 26. 311. South America has ceased to be a market for Indian produce, because, to the extent that its unhappy state of internal dissension allows it to be a market at all, it is deluged with the productions of Europe. It is absurd to suppose that the coarse cotton piece goods, which formed so vast a proportion of our consignments to South America, could long continue to make head against the manufactures of "Glasgow and Manchester;" there is no raw produce that we can expect to export from India to South America, when therefore the exportation of piece goods failed *all* exportation failed to *that* quarter.

PAGE 154 Line 48. 312. We confess we are unable to see the excessive hardship in this instance, or to sympathize with the unfortunate broker "deprived of his commission;" why did he not

* No statement is furnished of the exports on British bottoms to the places specified. Had this been done it would have been seen whether the trade with these places had, as assumed in the Report, been annihilated or not.

charter two English ships or two Gulf traders under British flags to the Gulf? If the whole story proves any thing, it proves that British shipping requires discriminating duties to make head against foreign shipping. The good sense of maintaining such discriminating duties as far as India is concerned, may easily be questioned. We want to get rid of our produce and care little who takes it away. But there is another party which may claim some right to be consulted in the settlement of the question, and that party, as we have before observed, is the British nation.

Page 155 Line 20. 313. If we do all this, we shall be much more fortunate than we have been in any other part of the globe, which is scarcely to be anticipated, considering that the nations we have to persuade into the reciprocity system are not only some of the most barbarous, but the most bigotted to their own habits and ideas of any in the world.

Page 156 Line 13. 314. The simple system, and that most consistent with what the British nation would probably insist upon, would be two and a half per cent. on goods exported on *British* bottoms, without reference to destination, and five per cent. on goods exported on *foreign* bottoms also without reference to destination. Import duties would of course require to be modified, but this must be the work of a committee.

Page 157 Line 41. 315. The Report proposes to levy duty at Calcutta on about ten articles; but it does not advert to the necessity, which will still exist, for every article shipped to pass through the custom house, lest a vessel should be laden with *one* of those ten articles, but on which no duty had been paid. The Report says, that there are *twenty* or *thirty* articles which shall not enter the limits of the preventive belts along the Western frontier without a rowannah. But, as has been before explained, every article whatever entering that belt, or in transit through that belt, must be liable to examination in order that *one* of the twenty or thirty articles adverted to may not be passed illicitly;

and this is not only necessary for the protection of the public revenue, but in justice to the fair duty-paying trader, who, having submitted honestly to the tax, has a right to demand from the State all the help it can afford to him against the competition of the smuggler.

316. We wish that Mr. Trevelyan had furnished a list of the twenty or thirty, or *forty* articles on which he proposes to continue the levy of custom duties; for we are quite unable to divest ourselves of the misgiving to which we have already adverted, that there are no forty articles the produce of India, or likely to be brought over the Western frontier, which will yield the amount taken credit for on account of the proposed system in Mr. Trevelyan's Report; especially if, as at the same time contemplated, no duty whatever is to be levied on cotton, one of our most important staples.

317. We do not in the above observation advert to the Western salts, which we are persuaded, as already explained, would yield a very large increase of revenue if the importation was placed under efficient controul; but then it must always be held in mind that the increase in question would be equally obtainable in addition to the entire amount of our present customs revenue.

Page 158 Line 4. 318. But when it is considered that these preventive limits are (following the windings of the rivers), six or seven hundred miles in length, and no where less than eight miles in breadth; when it is considered that to distinguish the smuggler from the honest man throughout this great space, every one carrying goods within its limits must be made liable to detention and question, we must confess that it requires a nicety of calculation to which we cannot pretend, to determine, whether the evils of the present, or those of the proposed, system will extend over the greatest space in square miles, vex the largest amount of population, or embarrass the traffic of the greatest number of cities, towns, and villages.

Page 158 Line 35. 319. The duties on this trade are probably collected at *Patna* and Ghazeepore; and no doubt many articles produced in *Oude*, and proceeding into our provinces, paid duty at British custom houses, in order to secure the advantages of a river navigation. Whatever this amount may have been, it must cease to be realized under the new system, unless on such articles of produce as are ultimately exported by sea; but there is another somewhat anomalous feature in the case, namely, that while we propose to treat Bundlecund as a foreign State, we give to *Oude* the full privileges accorded to our own provinces.

Page 160 Line 12. 320. Here is an admission that piece goods are manufactured in places beyond the Jumna, and are exported also from thence into and through our territories into Oude. Now to prevent such piece goods getting mixed with those manufactured in our territories, they must necessarily, it appears to us, remain protected by rowannahs, more especially if they should ever be intended for exportation by sea.

Page 163 Line 40. 321. It appears to us that subsequent to the year 1822-23, the Delhi receipts should be added to the gross receipts shewn in this return, because the duty levied under the rowannahs taken out at *Delhi* is so much in deduction from the receipts at the *Meerut*, *Agra*, and *Furruckabad* custom houses; if this be admitted the calculations in the Report must be materially modified, and the decrease shewn will probably be found rather *nominal* than *real*; we submit a separate paper* drawn up by a most valuable, intelligent, and trustworthy officer attached to our Board, Mr. M. Johnston, the registrar in the customs department, exhibiting what appears to us, to be the real state of the case, and including the calculations from the 163rd to the 168th page of the Report.

322. For our own parts, we do not see any practical advantage to be gained from a consideration of any thing, but the

* Vide Appendix E.

existing state of the customs revenue, in comparison with the probable results to be anticipated from the proposed scheme; adhering to this principle, we have shewn that the expence of collecting the customs revenue is neither *thirty-three* per cent. as assumed at the 164th page of the Report, nor twenty-two per cent. as assumed at the 101st page; but that it amounted in a bad year to about fourteen per cent.

323. We have endeavoured to shew that the amount *risked* by the change of system will not be less than seven lacs of rupees per annum.

324. We have endeavoured to shew that any amount of customs revenue, which the proposed system would realize, is equally realizable in addition to the amount now collected through the inland transit duties.

325. If these points are established, we do not perceive the slightest practical advantage to be obtained from retrospective enquiries; nevertheless the separate paper will shew the result to which such enquiries must lead.

PAGE 170 Line 11. 326. We have already ventured respectfully to submit our sentiments on the extent of injury inflicted on the country by the system of transit duties. We have endeavoured to shew the risk to the revenue, which we believe their abolition will entail; and perhaps we may here be permitted to repeat what we observed at note 221 of this paper—first, that it rests with Government to determine whether the circumstances of the case justify the risk; next, that as officers of revenue (considering the question merely in a revenue point of view) we cannot advise the risk to be incurred; but lastly, and on the other hand, that, as individuals deeply interested in the prosperity of this great country, and fully persuaded that however the evils of the transit duty system may be exaggerated, it still presses deplorably upon the principal sources of national wealth; we should say that the risk *ought* to be incurred were it ten times as great. What we

are most anxious for is this ; viz. that Government should have a true perception of the real amount of the evil which the transit duty system entails, and not be influenced in its decision by an impression that those evils are worse or greater than they really are ; and again we desire that at whatever conclusion Government may arrive, it may be with the full knowledge of two things ; first, the amount of evil to the people which will attend the new as compared with the old system—and next, the amount of revenue which must necessarily be risked ; we do not say certainly *lost*, but inevitably *risked*, by the adoption of the experimental measures advocated in Mr. Trevelyan's Report.

PAGE 171 Line 9. 327. We again concur entirely in Mr. Trevelyan's views; indeed if the transit duty system be continued, if its evils are not considered so great as peremptorily to prescribe its abolition at all hazards, a great reform must take place in the conduct of its details. The system, as it now exists, is decidedly not that which was contemplated by the able officers who revised it in 1809. They clearly understood that a collector of customs was only to have charge of a custom house, and not to have his attention distracted from the main business of his appointment by more interesting, and no doubt more important, duties in other departments. The committee of 1809 contemplated the establishment of the chokeys, with certain exceptions, so close under the eye of the collector that abuse was not very likely to be practised, or at least to pass undetected. These chokeys have, Mr. Trevelyan says, been scattered like a net-work over the whole surface of the Western provinces, while even in Bengal they have in many instances been allowed to get away much too far from the custom house to which they are subordinate. It is said in the Report that the system of 1809 has signally failed; but we humbly submit that a system can hardly be said to have failed, which has scarcely had a fair trial, or which has not been tried in the manner intended by its projectors. Just as the resources of the country were beginning to develope themselves, and we might have anticipated the fruits of that development to the revenue, the attention of the officers,

charged with its collection began to be most distracted by duties which could be less easily postponed, or slurred over. The officer holding the collectorship of Patna customs, a most important appointment in itself whether as regards the public revenue or the interests of commerce,* was also collector of land revenue, including stamps and abkaree, magistrate, deputy opium agent, post master, and charged with the payment of the pensions at Dinapore.† We have been obliged to relieve this gentleman, under the sanction of Government, by placing one of the commissioner's assistants in charge of the custom house, still holding the collector responsible for its general management, and communicating instructions as well as receiving reports through him. But this is a very complicated, and clumsy, and troublesome arrangement. Why should not the assistant be collector of Patna customs in *name* as well as in *fact?* we take leave to say that he could not be better employed, either for the benefit of Government or that of the public; while there is no necessity for the salary to be larger than is at present paid to the officer who is now, all but in name, in charge of the office.

PAGE 171 Line 10. 328. The "home market" will certainly not be opened to the poor people of *Bundlecund*, although it will be to the foreign subjects of *Oude*. This we cannot help looking upon as a serious defect in the whole scheme, scarcely compensated for by the foreign markets which will be left to the Bundoleas, but one that may be fairly added to those evils which will have to be weighed against the evils of the existing system, until a day arrives when the revenue obtained from our inland customs can be dispensed with altogether; until then the whole is a mere choice of evils.

* It is the largest custom house in Bengal except Calcutta.

† We advert to this last branch of the collector's duty because, from experience with the marine pensioners, we are aware of the vast trouble it entails if attempted to be properly discharged. If the collector chuses to recognize every man who presents himself with a certificate as a pensioner, of course the business is light enough.

PAGE 171. PAGE 171 Line 24. PAGE 171 Line 32. 329. We don't know what may be the case in Spain, but assuredly in France, the octroi may be placed in comparison with our system not much to the disadvantage of the latter. But Mr. Trevelyan does not seem to advert even here to the fact that the tax will be, equally with the present system, a tax upon locomotion; that it will fall upon every body, and every thing moving, whether included in the tariff or not, through so large an extent of country, that it is problematical whether under the present system an equal number of square miles, and an equal amount of population are infested by the necessary evils attending custom collections. Of one thing we are quite sure, viz. that if the scheme of the committee of 1809 was really in operation as originally devised,* the total amount of territory and population it would subject to annoyance from the customs system would not equal half of the territory and population, which must be included within the proposed preventive belt from the Deyra Doon to Mirzapore.

PAGE 172—173. PAGE 172 Line 32. PAGE 173 Line 14. 330. It is impossible to dispute the correctness of these opinions. The only question is whether it has become necessary to relinquish the transit duties in order to maintain the land revenue? That their relinquishment would greatly tend to benefit the country at large, and consequently facilitate the land revenue collections, cannot for a moment be doubted; but, as far as the resources of the State are concerned, it must not be lost sight of that such a relinquishment would not be balanced by any corresponding improvement in the land revenue of Bengal, whatever might be the result in the Western provinces, a point on which it would be presumptuous in us to offer any opinion.

PAGE 173 Line 18. 331. So enormously important does this object appear to every person of reflection that, speaking as individuals, we should think no risk too great if there were strong reasons

* Or could be carried into operation in the Western provinces, which perhaps local causes render impracticable.

to believe that, at such a risk, the desired end could be certainly secured. If such reasons did exist, the export and import duties alone at the most moderate rates, and such as trade could easily bear, would more than balance any amount of inland customs revenue relinquished. But the question arises as to whether the sacrifice of the transit duties is all that is required to produce such desirable and important results? Can cotton be produced which shall command the English market in preference to that of America? Can sugar be provided which shall rival that of the West Indies in public estimation? Can our silk compete with that of Italy? Are there any other products, the improvement of which is *certain*, and the production or exportation of which is now materially prevented by our existing inland customs system? If these queries can be answered in the affirmative on good and sure grounds, then assuredly we are called upon to encounter great risks, rather than continue a system so detrimental to the true interests of India, and so opposed to the natural state of things in any country; but if those queries *cannot* be answered in the affirmative upon good and substantial grounds, then at a period of unexampled pressure on the public resources, we place a great asset in jeopardy for no reasonable object. It is still doubted by high authorities* whether either the cotton, or the silk, or the sugar of India can ever compete in an European market (equally open to both) with the cotton and sugar of America or the silk of Italy? we therefore think it somewhat of a hasty assumption in the Report, which contemplates that India would take off 125 times† the amount of British manufactures now taken by the West India Islands, if an undue preference were not given to the produce of the West Indies, and the weight of our transit duties did not press on the powers of the East. The British West Indies export from Great Britain to the amount of about five millions sterling per annum; whether

* In the 178th page of the Report it will be seen that even one of Mr. Trevelyan's correspondents entertains these misgivings.

† We may misapprehend what is meant in the Report by "relative capacity of purchasing," but we beg to refer to the passage itself at page 173.

this country could take British exports to the amount of seven hundred and twenty five millions sterling per annum, which is nearly six hundred and eighty millions sterling in excess of the whole exports* from Great Britain to all parts of the world, is, we fear, greatly to be doubted, as well as our capacity to provide returns for so enormous an importation.

PAGE 174 Line 1. 332. We infer from this, that in the preceding remark we have not exactly apprehended Mr. Trevelyan's meaning, and that he only contemplates a trade between Great Britain and India of sixty or seventy millions sterling per annum; but seeing that this would amount to within eighteen millions of the trade between Great Britain and all parts of the world,† (including the East Indies) we cannot but doubt whether such a result could be calculated upon, even if we levied no custom duties whatever, either on the Sea frontier or the Western frontier of the Bengal presidency.

PAGE 174 Line 9. 333. This is rather a bold proposition considering as shewn in the margin‡ that India, at least Bengal, exports more than she imports, calculating both exports and imports§ at

* Total value of exports from United Kingdom to all parts of the world in 1830, £45,819,314. This includes re-exports of foreign and colonial merchandize.

† In 1830.

	£
Entire Exports,	45,819,314
Entire Imports,	42,311,649
Total,	£88,130,963

‡ *Memorandum.*—Extracted from the Official Reports on the Internal and external commerce of the country.

§ 1830-31.

	Sa. Rs.
Total Imports,	2,72,89,237
Total Exports,	4,77,21,331
1831-32.	
Total Imports,	2,25,61,666
Total Exports,	4,41,03,169
1832-33.	
Total Imports,	1,97,30,422
Total Exports,	4,64,01,436

the Bengal market value, a mode of calculation greatly in favor of the import side of the account; besides why is freight home so much higher than freight out, if the means of giving in exchange are deficient?

PAGE 174 Line 17. 334. After all it might reasonably enough be conjectured from this passage, that the land tax, and not the transit duties, is the obstacle opposed to a full development of the productive powers of three-fourths of our Indian empire.

PAGE 175 Line 8. 335. Whether the produce of the country be forwarded to foreign markets by way of speculation, or be purchased as a medium of remittance for the private fortunes of individuals, or for the payment of a public tribute, the country must, we think, be benefitted; as an equivalent in money must be received in exchange, and that may be readily converted into or employed in the production of as much goods as may be so taken out of the country.

336. The annual remittance which is now to be provided for by this country can only we think be injurious to it in the event of the whole being made to consist of a bullion remittance. We are not however aware that this will actually be the case; but on turning to the abstract table of the value of all imports and exports, given at page 176 of the Report, we find that the exports of treasure have never equalled those of the years 1821-22 and 1823-24, in the first of which the amount is stated to have been rupees 1,23,96,395, and in 1823-24 rupees 1,22,53,039. From the year 1824-25 to 1830-31, it is shewn that the export of treasure fell off considerably compared to what it was even in 1822-23, when it stood at rupees 51,51,966; but it increased in 1831-32 to rupees 1,95,39,812, and in 1832-33 it again fell off to rupees 78,46,037.

PAGE 176 Line 27. 337. This surely cannot be considered an evil as far as the producer is concerned. The merchant may be shorn of a large portion of the profit he would otherwise make; a

private individual may remit on less advantageous terms; but it cannot be said either that the grower of produce, or that which the sale of his produce enables him to provide for, viz. the land revenue, ought to suffer from the "vast competition carried on."

PAGE 177 Line 8. 338. Surely Mr. Trevelyan does not mean to charge all this to the existence of the transit duty system! But we confess we do not clearly apprehend the drift of the argument. If Mr. Trevelyan means that the country is over-taxed for the purpose of transmitting a kind of tribute to England, this is a point to be settled between himself and the general Government; but if he means that the excess of exports over imports is *per se* prejudicial to the interests of the country, we are unable to follow him. The excess exports must have been made either in bullion or in produce; if in bullion, then the bullion must have been obtained by the sale of Indian produce, either to countries yielding the precious metals or to countries from whence the precious metals have been imported, in return for the produce of this. If the excess exports has been made in Indian produce, surely the increased exportation is no sign of an unprosperous state of things, as far as the producers of India are concerned. The import and export of treasure in the series of years is, we fancy, pretty equally balanced. The export of merchandize preponderates greatly over the import very much against those views in the 174th page of the Report, which we have already commented upon. But then, says the Report, the profit to the exporter* has been very small. What we reply has that to do with the more important points under consideration, the comfort of the Indian producer and the improvement in his condition? Surely those at least must be secured by the increased exportation unless you wrest from the producer, without any return, the produce of his labor,† and remit it as a tribute to England. Yes, it may be said, but had not the merchant been compelled to

* At all events it has been a profit that has satisfied him, or the trade would have fallen off instead of increasing.

† An operation very easily performed by the process of indirect taxation.

trust almost entirely to imports for his profits, he would have exchanged the articles imported at a lower rate with the producer of the articles of export. This may be true; and, as far as the British nation is concerned, it was very desirable that British manufactures should find their way into every hut in India; but their not reaching a people still insensible of the value of such comforts does not appear to lessen, in any wise, the benefit which must, it appears to us, have accrued to the peasantry of India from the over exportation adverted to in the Report. Indeed, fifteen lines further on, the Report again adverts to prices being raised, and how this process could have been detrimental, either to the producer of our Indian staples or to the land revenue, we do not clearly apprehend. To be sure, the peasant might not have bought Glasgow cloth or Birmingham cutlery with the produce of his labor, but he had it to lay out in any other way most gratifying to himself.

Page 177 Line 34. 339. We are at a loss to understand this recommendation to discourage private remittances. The only real discouragement would be a declaration, that no man, who arrived in India, should ever leave it again. Private remittances *are* at present discouraged; but probably in the most detrimental manner for the country that could have been devised. A servant of the Honorable Company is prohibited from making his remittances in produce.

Page 177 Line 37. 340. If we understand Mr. Trevelyan's argument at all, it strikes us that to stimulate the increase of exportable produce by every possible means would be merely to extend the evils deplored at the top of page 177; *we*, with our views, can safely say "stimulate the increase of exportable produce by every possible means;" because if the exports amounted to fifty crores of rupees and the imports were valued at only one crore per annum, we should still not be under the slightest apprehension that a single ounce of exportable produce had left the country without the producer having received, what he considered, an adequate recompense for the labor and outlay bestowed upon its production.

341. The Government remittance, be it made in produce or in any other mode, may perhaps be considered as exportable produce for which the producer has received no money return or other tangible compensation. It may perhaps, as before observed, be considered as a species of tribute remitted to a paramount State; but this leads into the vast question as to whether the *aggregate* taxation of the country is greater than it can bear, and whether any portion of it can be relinquished. If the reply be in the affirmative, then, we should add, *before all things relinquish the transit duties.*

PAGE 177 Line 39. 342. Mr. Trevelyan says, "the last thing we "ought to do should be to put a Government tax upon our "exports;" but, if we understand rightly the scheme proposed in his printed Report, the tax upon exports is exactly that portion of our present customs system, which the projector of the new one intends to retain.

343. Of all custom duties, the duties upon exports are we think the most objectionable, and they are only less objectionable when they are light, than when they are heavy. If Government was inclined to consider that the state of the country demanded from us the incurment of risk in the alteration of the customs system—if at the same time the scheme for realizing the revenue on the line of the Western frontier were to be considered, as based upon sound principles, and as promising a successful result, and if we could subject all articles which may be imported to duty—we should then say, abolish duty on exportation altogether, levy it solely upon imports. But we fear that any scheme of this nature could not be carried into effect without the sanction of the Legislature at home; since at present by Acts of Parliament all British metals, woollens, jewellery, and any article of which the essential portion may consist either of metal or wool, are exempt from duty on importation; and the exemption could not, we imagine, be taken off, except with the concurrence of the authority by which it was sanctioned. Assuming, however, the practicability of a scheme to the effect stated, we think that the levy of a duty at four per cent.

on all articles imported from Great Britain on a British bottom ; five per cent. on all articles imported from places other than Great Britain on a British bottom ; and eight per cent. on all articles imported from whatever quarter under a foreign flag, would produce a receipt of not less than nine lacs of rupees, in place only of rupees 6,73,050 including town duty, which was, we observe realized on imports by sea in 1833-34. This is of course an exceedingly rough and crude calculation. We only advert to the point at all, as it may be worthy the consideration of any committee charged with the revision of our customs system, whether the whole amount of revenue from the customs might not be raised on the imports across the Sea and Western frontiers,* supposing that portion of Mr. Trevelyan's scheme to be adopted, which contemplates only those two places of collection.

PAGE 179 Line 5. 344. If all this be true, it appears of little consequence whether we continue our present inland transit duty system or abandon it, by doing which we should in fact only relinquish a considerable revenue, without securing any benefit to the country.

PAGE 180 Line 21. 345. It is nearly impossible to exaggerate the trouble, delay, and confusion that arises from the drawback system. The calculations are miserably laborious and intricate, and the necessary forms so harassing and burdensome, that it is almost extraordinary merchants do not rather relinquish their claim to drawback, than undergo all the trouble attending its recovery. Some idea of the labor and research imposed by the calculations may be formed by considering that an article liable on import to a duty of 2½ per cent. may have to claim as drawback two-thirds or one-third of that 2½ per cent., (according to flag and destination) on being re-exported.

PAGE 181 Line 18. 346. The privilege in favor of indigo was granted, neither because the dealers in this particular article

* This we imagine could only be carried into effect at a sacrifice of revenue ; but if Government is prepared for that sacrifice, it is best to make it in the manner which includes the greatest relief to commerce.

were subjected to extraordinary inconvenience, nor because the British merchants of Calcutta happened to have a greater interest in it than in any other; but because the article was understood to be manufactured almost exclusively for exportation by sea, and because it was, on that account, considered desirable to give the utmost facility to its conveyance to Calcutta, where alone the exportation could be effected. The restriction adverted to in point of quantity appeared necessary for the protection of the revenue; but in practice it throws no unreasonable obstacle in the way of the small capitalist, because several persons unite in obtaining a pass for a quantity (their joint property though carried in one name) of more than a hundred maunds.

PAGE 181 Line 25. 347. Vide remarks 343 and 345; no doubt it is desirable that export duties should be abolished, but then there is another vast deduction to be made from the revenue, credited by Mr. Trevelyan to the new scheme as compared with the existing one; a deduction, as appears from the projector's own statements,* of not less than six lacs and seventy-five thousand rupees.

PAGE 182 Line 26. 348. Although the plan of levying duties only on imports is, as we have already stated, in our opinion preferable to levying duties both on imports and exports, we greatly doubt whether it could ever be safely adopted in this country, unless we had wet docks and warehouses surrounding such docks, so that every thing coming from or going to a ship may be under the immediate eye of the custom house officers. In England, where these securities against abuse actually exist, the Report has shewn that export duties exist as well as import duties, though not to the same extent as the latter; of course then if we are, as recommended in the Report, to assimilate our practice to that followed in England, we ought to be provided with the requisite wet docks and warehouses, before we give up our export duties, and before we depend on the full realization even

* Appendix to Report, page xx.

of the import duties, on the care and fidelity only of one officer, however trustworthy, proposed to be employed aboard of each ship in superintending the discharge of her import cargo.

349. The plan proposed would also we fear often risk the safety of the goods intended for exportation by sea; for it frequently happens that goods cannot be received aboard the very vessels for which they are intended: in such cases they are either immediately carried to another or are brought ashore under a re-land pass, the latter is more frequently the case than the former. Now unless they were as at present protected by a re-land pass, the ghaut officers, on their being carried ashore, would naturally take them to be *imported* goods and seize them accordingly. The owners again might find it difficult to effect their release, unless they happened to be of a description never known to be imported by sea; so that were the plan of levying only import duties to be even adopted, still it would not, as assumed in the Report, enable individuals to carry on the business of exportation entirely free from the interference of the custom house officers.

PAGE 183 Line 10. 350. The responsibility of commanders of vessels at this port is made more heavy than it would be, if we had wet docks and warehouses to receive all imported goods, and to hold them in custody until the duties on them have been paid. As matters now stand, we could not safely lighten the responsibility, stated in the Report to attach to commanders.

PAGE 184 Line 34. 351. All this is very true, and appears to have been amply provided for in Mr. Secretary Prinsep's draft of a complete customs regulation, but the expence must remain a considerable objection. Forty or fifty vessels in the river, and a trusty European officer (for no other could be relied upon,) at a salary of 150 or 200 rupees per month, on board of each, together with the necessary inspectors, would absorb no small portion of the import revenue, nor would this, as Mr. Trevelyan supposes, obviate the necessity for goods being taken to the custom house;

they must be taken there for examination,* weighment, &c., and we believe that there is no custom house in the world, where these checks for the protection of the revenue are not maintained; it resting of course with the proper authorities to grant exemptions in special cases, and when good cause can be shewn; such indeed is the present practice of the Calcutta custom house. But this part of the scheme, the Report itself shews, can only be carried into effect by the goods being kept under the custody of the custom house, until the duties on them have been paid. Now as the necessary conveniences for such custody or deposit do not exist, and as the merchants would not probably submit to the expence of providing those conveniences, such as wet docks and warehouses, it is perhaps unnecessary to dwell any further upon this part of the Report.

PAGE 185 Line 4. 352. The scheme of *warehousing* for re-exportation need not be made at all dependant upon alterations in the present custom system; but we fear it must remain dependant upon our ability to incur the expence of erecting extensive and secure warehouses, for we hold it would be quite impossible to permit the use of any but Government warehouses.

PAGE 185 Line 25. 353. In the supposed case of a person purchasing wines at the auction at a low price, and claiming drawback at a higher price, the revenue cannot after all suffer; because the drawback will be admitted only according to the value on which duty was actually charged; and individuals are legally entitled to claim, at this valuation, whatever may be the price at which they may effect their purchases at auction or elsewhere.

PAGE 185 Line 36. 354. This abuse has been checked, we believe, effectually.

* To determine that they are really the goods manifested; besides how would the returns adverted to in page 191 of the Report be prepared, or even the state of commerce be recorded, unless goods passed through some department analogous to the custom house.

PAGES 186, 187, 188, 189, 190 and 191. 355. Require no remark, as they chiefly relate to matters having no connection, or only a very remote one, with our customs system.

PAGE 191 Line 2. 356. If the merchants of the *Upper* provinces know nothing of the trade of the Lower provinces—if the merchants again of the Lower provinces know nothing of what is passing above Mirzapore, and if finally the *maritime* trade is known to neither of these divisions of merchants, we fear then that the estimates of the future assets of the customs department, as given at pages 98 and 99, and which in a great measure have been obtained from information stated to have been furnished by the merchants themselves, cannot be depended upon for accuracy.

PAGE 192 Line 30. 357. Mr. Trevelyan's observations here seem rather to contradict his remarks at page 171, where he says, that our system of transit duties has never been equalled even in Spain; we are of course very far from urging their existence in Spain, or any where else, as an excuse for their continuance here.

PAGE 194 Line 3. 358. It is to be feared that the good intentions of the national convention found no great favor in the eyes of its successors to power in France, and that the nation did not long enjoy "one of the most important benefits derived from her "first revolution;" the octroi presses too vexatiously upon every merchant, and every private traveller, to allow of the indulgence of so pleasant a delusion. We fancy Mr. Trevelyan would find the custom system in France, as a whole, nearly as annoying as our own; and only rendered less so because the officers it employs have some conscience and some sense of propriety.

PAGE 194 Line 5. 359. If the writer of the Report should settle in England, with the competency which no individual in the service will have more honorably or more deservedly entitled himself to, and having bought a cellar of wines should try to remove any portion of them, he will soon discover whether the inland trade is almost perfectly free or not; it is of very little

consequence whether the restrictions on perfect freedom are caused by an excise system or a system of inland customs; but in addition to this let it be recollected, that, notwithstanding the inaccessible nature of a great part of the coast of England, the customs revenue of Great Britain and Ireland is not protected at a less cost than £1,300,000 per annum; let it be tried to collect the customs revenue of Great Britain for about £60,000 a year,* and then see what will be the result.

Pages 195, 196 & 197. 360. We have no remarks to offer on the concluding pages of the Report on the inland customs of the Bengal presidency.

(Signed) C. D'OYLY.
H. M. PARKER.

* The cost of collecting the Bengal customs revenue.

APPENDIX A.

Extract from the Letter of Government, dated 5th February, 1833.

PARA. 3. "As regards the navi- "gation of the Ganges below "Allahabad, the Board were di- "rected, in Mr. Batten's letter of- "the 6th of November, to prose- "cute enquiries with a view to the "limitation of the number of "search chokeys on the Ganges "and other rivers of Bengal and "Behar."

Observations on Extract.

1. The recommendation of the Board was to the following effect; viz. That the examination of boats, the comparison of their cargoes with the rowannahs, and the endorsement of the latter documents, should be confined to the outer chokeys of each custom house, that is to say, supposing the river to run past a custom house north and south, the examination and endorsement of rowannah would be confined to the extreme northern* and extreme southern chokey, the interference of all intermediate chokeys being strictly confined to preventing the loading or unloading of cargoes not protected by the requisite rowannahs. A report of the examination at the northern and southern extreme chokeys would be forwarded to the collector, and such other precautions maintained as are now in use to prevent goods from being clandestinely passed to, within the line of chokeys.

* If the river run east and west, the extreme eastern and western chokeys would of course take the same duty.

EXTRACT.

PARA. 4. "In determining the "places at which boats shall "hereafter be stopped below Alla- "habad, it will not be necessary "to lay down as an invariable "rule (A), that they should be "stopped at the commencement "and end of each separate custom "jurisdiction. (B) In some cases, "as for instance, in the Ghazee- "pore and Benares districts, "where there are no intermediate "chokeys, this rule, it is conceiv- "ed, would multiply the impedi- "ments to the navigation to an "extent much beyond those which "exist at present: and it is by no "means clear what circumstances "are supposed by the Board to "render it of peculiar importance, "that boats in transit should be "stopped and examined at the two "extreme limits (C) of each custom "house jurisdiction, more than at "any other place."

* Or eastern and western as the river may run.

(A) 2. The Board conceive it to be essential to the interests of the revenue that this should be laid down as an invariable rule,—for although it *may* be possible in some instances to protect the great marts and cities without having search chokeys so remote from the sudder custom house as some now are, yet the Board hold it to be necessary as a general rule, that search should be exercised at the northern and southern* river chokey attached to each custom house, and for this reason; viz. that without such a principle being recognized, the entire consumption of dutiable articles within the city, to which such chokeys are attached, would be effected without any, or with a very trifling, contribution towards the revenue of the country: as for instance, in the case of a city extending a considerable distance along the bank of the river, as Patna. The trader ought not now to be able to bring his boat-load of goods within the limits of the custom house jurisdiction (supposing that jurisdiction to extend on the river side from the northern to the southern extremity of the city) without passing a boundary chokey where his goods are examined with the rowannah, or subjected to duty; after this it is of no consequence to the revenue where they are landed—and the proprietor has only to consult his own convenience—the revenue on the consumption of such goods is secured. But the general principle of the scheme adopted for the provinces above Allahabad appears to be that the trader shall go to the custom house ghaut for the comparison of the cargo with the rowannah —the obvious objection to this is, why should he? The trader

may, for instance, purchase a cargo of sugar in any part of the Ghazeepore district below the custom house of that division—he may embark it twenty miles distant from the nearest custom house officer without a rowannah or any other protecting document, and convey it down to Patna; as he does not attempt to land it at the extreme northernmost custom chokey of that city he is not to be molested; no interference is allowed except at the custom house ghaut—consequently unless he attempts to land his goods he passes without any search at the northernmost chokey, and consequently without its being ascertained whether he has a rowannah or not—he has then a space of six or seven miles within which he may select the best spot and the best opportunity for landing his cargo without interference from the officers of Government. Now there is only one mode by which this is to be prevented; viz. stationing custom house officers within sight of each other along the whole seven miles, with others at particular distances, to reinforce them if goods are attempted to be run into the city by force, precisely indeed as the coast preventive service is arrayed along the accessible parts of the coast of the British Channel—but then, what are the class of officers to be so stationed? either common peons, or persons in whom confidence can be placed, and with salaries corresponding to the trust they are invested with. The latter measure is clearly impracticable from the immense expence it would involve. The whole revenue therefore now derived from the consumption of articles liable to custom duties within the city, say of Patna, or any other extending along the bank or banks of a river, must of necessity be left to the honesty of a line of common peons—but even this line could not be maintained for a distance of seven miles as closely as is necessary, without an immense establishment, each one of which, from the unavoidably small salary which could be awarded him, would be open to very slight temptation—thus the two evils would be united of expence and insecurity; while on the other hand the scheme of a really trusty and well paid establishment at the two extreme chokeys would appear to combine as much security as can be obtained in this country with the least

possible expence, and in addition to that to include a check on both parties; the amlah of the extreme chokeys, not daring to pass goods illegally lest their delinquency should be discovered by subsequent seizure, when it might be attempted to land them; while the persons guarding the ghauts are equally apprehensive of allowing goods to land which the collector would probably be able to trace, since he might have an account of their evading the outer chokeys, and entering the limits of a custom house where they could only be landed by the connivance of the ghaut officers—at all events the illicit dealer, supposing the best case for him, is obliged to bribe, or risk detection from two sets of officers, so that it becomes little worth his while in general to evade payment of the duties.

(B) 3. The Board do not clearly apprehend the argument of Government in this place; when there are no intermediate chokeys between two custom stations, for instance, between the town of Ghazeepore and the city of Benares, the impediments to the navigation cannot be *multiplied* by a mere maintenance of the present principle of search; that is to say at the chokeys fixed on the banks of the river at the northern and southern extremity of the *town* of Ghazeepore, and those at the northern and southern extremity of the city of Benares—supposing that boats with goods put on board under rowannahs at Benares are brought to, and the rowannahs compared with the merchandize at the southern-most chokey attached to the city of Benares, then, if there are no intermediate chokeys between that city and the next custom house, (and it is no part of the Board's principle, nor is it contemplated by the custom laws, that any such chokeys should be established) the boats in question will meet with no interruption from custom chokeys till they arrive at the northern chokey attached to the *town* of Ghazeepore, where the goods will again be subjected to comparison with the rowannah. It is therefore not possible to discover what additional impediments the regulation principle of stopping boats at the commencement and the end of each jurisdiction is likely to throw in the way of commerce on the navigation of the river.

4. But it may be said, why examine the goods with the rowannahs at the southern chokey attached to the city of Benares? they ought not to be allowed to embark at all until covered by the document in question—doubtless there would be no satisfactory answer to this query if it was utterly impossible, if natural obstacles rendered it wholly impracticable, to embark goods within the city of Benares at any but one ghaut; for then it would be quite worth the while of the department to have such an officer and establishment at that ghaut as should make the realization of the customs revenue, on all merchandize embarked there, a matter of certainty; a similar enquiry may suggest itself as to why the boats should again be searched on reaching the northern custom chokey touching the boundary of the *town* of Ghazeepore, and a nearly similar reply offers; viz. that if such were the local peculiarities of Ghazeepore, that no contrivance could secure the landing of goods at any but one ghaut, then that ghaut might be guarded by officers of sufficient character, and sufficiently remunerated to secure the collection of the customs impost; and in that case beyond all doubt the chokey on the river at both extremities of the town might, as far as the river-borne trade is concerned, safely be done away with: but unless such a locality offers at any of the custom houses of Upper Bengal, Behar, or Benares, as it certainly does not in Lower Bengal, the Board can see no security for the revenue derived from the consumption in the large cities, where custom houses are placed, of articles liable to custom duties, but see a great decrease of security in realizing the impost on those which are merely landed at such cities as marts or entrepots—why this insecurity is to be apprehended, has already been explained.

(C) 5. The point here adverted to has been discussed in the preceding portion of this paper; but the Board apprehend some erroneous impression on the part of Government with respect to the "custom house jurisdiction." Government may possibly infer that where a custom house is established, as for instance at Mirzapore, its jurisdiction extends over the district of that name; but this is not the case, its jurisdiction extends no where beyond the

boundaries of the belt of chokeys drawn round the town*, in order to lay under contribution all dutiable merchandize, seeking it as a mart or entrepot or entering that belt for the suppply of the population. By Section 5, Regulation IX. of 1810, the several custom houses are fixed in *cities* therein specified, and by Section 11 it is declared, that except under peculiar circumstances no custom chokey shall be established at a greater distance than two coss or four miles from the custom house, the situation of which about the centre of each city was probably contemplated. From the papers sent down by Government, the Board perceive (not having been apprized of the circumstance before) that the collector of customs for Mirzapore proposes to restrict the interference of his officers at two ghauts* (one of which is seven miles, and the other five miles distant from the city) to the examination of boats discharging goods at those places for traffic across the country, and depriving them of the power of stopping boats proceeding up or down the river for the purpose of examination and of registering their rowannahs—this arrangement, with reference to the great distance of the chokeys in question, appears to be judicious, especially as two other chokeys are kept up to do all that is necessary as far as the town of Mirzapore is concerned ; viz. prevent the entrance into or the departure from that mart and place of consumption of any dutiable article which has not paid the custom impost, and is not regularly protected. With respect to the ghauts last mentioned, the collector offers the following observations :

* Which ought if possible to be included within a circle, the extreme limit of which should not be distant from the sudder office more than four miles.

* Bhittoullee Ghaut and Burreah Ghaut.

" At the two city ghats, Nar Ghat and Burreah Ghat, (which " are situated at a convenient distance from the sudder office) " all rowanahs covering goods laden on boats passing up or " down the river are registered; but in this there is no great hard- " ship, for at a place of such commercial intercourse and impor- " tance as Mirzapore scarcely a boat passes ; business or com- " merce of some kind or other generally detains them a day or two,

"and the rowanahs are registered and returned to the parties "within the day of their arrival. If any exaction is attempted to "be practised, the sudder office is at hand where they can com- "plain; and I have not found them backward in doing so in cases "where they were, or supposed themselves to be, aggrieved, and "when their complaints were attended to."

6. The Board presume that Nar Ghaut and Burreah Ghaut, alluded to in the foregoing extract, are situated at the eastern and western extremities of the town of Mirzapore, and if so, the whole intent of the Regulation, as far as that city and mart is concerned, would appear to be fulfilled,—and the same principle is evidently applicable to a city as extensive as Patna. On the other hand, the interference of the Mirzapore officers at the two remote ghauts of Bhittoullee and Burreah seems very properly confined to the cross trade; because, if the Nar and Burreah Ghauts are honestly and properly controuled, the examination and endorsement at Bhittoullee or Burreah of rowannahs covering goods in transit up or down the Ganges, though it is an additional check, is not an indispensable one: at least the revenue, which may be lost by its non-observance, had probably better be relinquished than that commerce should be exposed to the delay and vexations which, where the chokey is remote from the office of the collector, the additional check imposes,—delays and vexations which are inseparable from the collection of the customs revenue in all parts of the world, but which it must be ever the object of good government to diminish as much as possible.

7. The Board of Customs, Salt and Opium, had no participation in the arrangement of the chokeys in the Upper provinces, and until very recently no controul over them; the stations were doubtless selected by the controuling authorities on what seemed to them sufficient grounds, but they do not always appear to be exactly those which the Board of Customs would have thought themselves justified in selecting, under Regulation IX of 1810, as chokeys for checking the river-borne commerce; though the localities of the Upper provinces might have

made them necessary for the purpose of bringing the cross trade under contribution.

8. It may happen that a great mart, though continuing in itself to be no more than a village, is created by circumstances or local conveniences at some distance from a custom house. Culna under the Hooghly custom house is an instance—in this case the levy of the custom duties on the articles likely to be consumed within the place, is an object of little consideration,—not so the duties on that portion of the imports which seek it as an entrepot,—they may be dispersed throughout the country after once quitting Culna, particularly in the populous districts to the west and south, without ever again entering the limits of a custom house; while their import into that mart, under the knowledge that duties will be levied there, affords sufficient evidence that the facilities and advantages of the market compensate the trade for the impost to which it is subjected—these circumstances of course point out the time and place where the duties of customs may be equitably—that is equitably so long as the revenue is indispensable for the general good of the country—and conveniently realized: but it may not be essential in such a case to stop boats or examine their rowannahs when merely following the course of the river which runs past the chokey. Although that chokey is subordinate to a custom house, every purpose for which it is established would, it appears, be accomplished by no goods being permitted to land, or enter the mart without being covered by a rowannah. If in process of time the village should become an extensive town, with a thriving population, it would then become a consideration whether boundary chokeys should not be established at the northern or southern limits for the reasons already assigned, in order to bring the consumption of the town under contribution,—as well as the traffic of the entrepot—the right of search for those two chokeys would then, according to the Board's views, be indispensable, and to prevent its abuse, a custom house and collector ought to be established; but in the mean time the Board see no reason why the State should relinquish a revenue of 60 or 70,000 rupees per annum on the traffic of the entrepot.

9. It may be enquired how this revenue is to be more protected at Culna by preventing goods from being landed without having paid the duties, than at Patna or Mirzapore; the fact however is, that the whole revenue would *not* be protected—that portion of it, which would be otherwise realized on articles consumed in the town, would be lost, or, at all events, risked—but, as before observed, the size of the place decreases the importance of that risk, while it facilitates the prevention by the custom house officers of smuggling in any shape. It would be difficult to land any considerable quantity of goods within a space not more than a quarter of a mile long, either for store or local consumption, without the transaction passing under the eye of the principal officers of the chokey on coming to their knowledge; the whole space may indeed be considered as the one ghaut contemplated in a former part of this paper; but when the facilities for loading and unloading cargoes extend for miles along the banks of the river as at Patna, Benares, or Calcutta, then the facilities for landing goods for consumption illicitly are increased precisely in proportion as it becomes desirable to levy the custom duties on that consumption in consequence of its great extent—a full chokey establishment at every quarter of a mile would be the obvious remedy; and then goods could no more be landed at Benares or Patna, without having paid duties, than at Culna; but leaving out of the question that this principle involves a relinquishment of the system of double check formerly adverted to, it would surely be a most expensive process to adopt, when the simple and cheaper one was available of an examination chokey at each extremity of the custom house jurisdiction, with other officers to watch the principal landing places within that jurisdiction.

10. If those subordinate officers, it may be urged, will not prevent the landing of river-borne cargoes unprotected by rowannahs, neither will they prevent the cross trade which will never come under the review of the two extreme examining chokeys, but may be carried on from one bank of the river to the other, within the limits of the chokey jurisdiction—but this might be met by special arrangements, as in the case of the branch of the Calcutta custom

house at Howrah: and under any circumstances the proportion which the cross trade bears to the river-borne trade (by which last is meant the trade following the line of the great rivers) in Bengal is comparatively trifling, and, as already observed, it can be easily carried on without entering the limits of a custom jurisdiction at all, unless the goods be specially destined for the city in which the custom house is placed.

EXTRACT.

PARA. 5. "The object of the "custom restrictions under the "present system is to lay the "transit trade of the country under "contribution, whatever its direc- "tion may be; and in applying "our checks to this purpose, it is "obvious that we must be guided "entirely by local considerations. "The salt trade, which crosses the "line of the Jumna from west to "east, requires that preventive "establishments should be kept "up at as many places as it can "be conveyed across the river— "that is at every ford and ferry; "while the river-borne commerce, "which follows the line of the "Jumna, need only be stopped at "such intervals as will prevent "any considerable transit trade "from being carried on in the in- "termediate spaces without pay- "ing duty. If this purpose is "sufficiently answered by detain- "ing boats at the sudder custom "houses (D) it would of course "be improper to lay any addition- "al restriction on the freedom of "the navigation; and if not, such "additional stations should be "fixed on for stopping and ex- "amining boats as the existing "routes of trade, and the situations "of its entrepots may suggest; but "unless recommended by either of

(D) 11. The Board do not dispute this position; they are merely apprehensive that the purpose would *not* be sufficiently answered by detaining boats at the sudder custom houses, or rather they can see no reason why boats, carrying goods only to a particular entrepot, should ever proceed to the sudder custom house of that entrepot at all for the purpose of being detained, or of paying the transit duties. In Calcutta, for instance, there is a line of about four miles from the southernmost to the northernmost chokeys; the custom house is situated almost at an equal distance from each—but if a boat had once passed either of those search chokeys without a rowannah, which she could do if the right of search was abolished, what should induce the trader to proceed to the custom house, when the payment in a douceur of half the amount of the duty he would have to pay before he could land his goods at the custom house, would in all probability secure the connivance of one of the

"these considerations, there is "nothing in the extreme limits of "the jurisdiction of each custom "house, which makes them a more "desirable (E) situation for inter- "cepting the trade of the country "than any other."

inferior class of officers (who alone could be employed to prevent it) to their unquestioned importation into the city, even supposing such officers posted at intervals along the whole four miles so as to cover the entire extent? No doubt articles, which were intended for exportation by sea, and on which drawback was claimable, would be brought to the custom house as now; but the Board do not perceive any strong motive likely to influence the dealers in those intended for local consumption to take the trouble and undergo the payment of duty attending that process.

(E) 12. The Board have already explained the reasons on which their own opinions, with respect to this point, are founded.

EXTRACT.

PARA. 6. "It must not be for- "gotten that the river-borne trade "is almost invariably bound for "some principal mart, where it "will be subject to examination "by our custom house officers; "that the distance between any "two sudder custom houses is ge- "nerally so small (F) as not to "admit of any important trade "being carried on, upon the inter- "vening portion of the river, with- "out passing either one or the "other of them; and lastly, that the "operation of loading and unload- "ing the cargoes of boats is not "such as is usually resorted to by "smugglers, particularly as they "would have to do it in defiance "of the custom house officers, who "are stationed to guard the fords "and ferries of the river; and "after all the only advantage "which they could derive from

(F) 13. The Board are unable to concur in the assumption that the distances between any two sudder custom houses are generally so small as Government appear to consider them. From the sudder custom house at Agra to that of Allahabad, it is upwards of two hundred and fifty miles—from Patna to Moorshedabad it is nearly the same distance. It is nearly four hundred miles down the main stream of the Ganges from Patna to Dacca.* From Calcutta to Dacca is one hundred and fifty miles, and from Calcutta to Chittagong two hundred. If the subordinate chokeys are planted in conformity to the principles already explained, then

* On the route boats are subjected to one intermediate examination at Bugwangolah—a chokey attached to Moorshedabad.

"the transaction would be the "transport of their goods free of "duty on that limited portion of "the river, which intervenes be- "tween two sudder custom "houses."

the distance between the outermost chokey of one custom house and the outermost chokey of another ought to vary but a few miles from the distance between one sudder custom house and another. The Board cannot designate any of the above intervening spaces between one custom house and another as small distances. The cross trade again, at least in the Lower provinces, may travel some hundred of miles in many directions from Midnapore, for instance to Benares, from Ganjam to the frontiers of Napaul, or to the foot of the Garrow Hills without once entering the limits of a custom jurisdiction—and if they do enter those limits it is because the advantages of the mart or the route compensate for the expence it involves in the shape of duties, or any other charges which all fall ultimately on the consumer of the goods. These facts the Board merely advert to as somewhat at variance with the prevailing impression, that our custom revenue is only collected at the cost of very widely extended and incessant vexation and interference, a theory which has been carried so far as to excite the erroneous idea that goods cannot be removed to the shortest distance from the place where they are produced, even from village to village, without payment of duties, and the still more erroneous supposition that such is the principle of the custom Regulations. Indeed, the Board, though fully sensible of all the objections to a system of inland transit duties, whether they are levied in this or in any other country, find it difficult to reconcile the belief of their having been found so extremely oppressive and vexatious in India, as has been generally assumed, with the facts gathered from official records; viz. that the value of inland commerce has progressively increased from about two crores and thirty-four lacs of rupees, at which it stood in 1809-10, when the custom Regulation was passed, to five crores and twenty-three lacs, at which it was estimated in 1830-31.

INLAND COMMERCE.	
1809-10	2,34,60,021
11	2,65,37,467
12	2,60,54,270
13	2,79,12,927
14	2,55,58,140
15	3,20,41,052
16	3,94,97,395
17	4,88,00,247

18	4,68,39,772
19	3,96,97,156
20	5,32,25,995
21	4,61,17,184
22	5,03,69,131
23	4,77,44,945
24	4,05,02,575
25	5,42,32,271
26	5,80,94,212
27	5,13,51,443
28	5,39,90,234
29	5,33,29,946
30	5,18,95,142
1830-31	5,23,33,470

14. But it may be observed, the inland commerce would have increased still more had these vexations and interruptions not existed —this is very probable, and it is also probable, though according to present theories uncertain, that the prosperity of the country altogether would have been still greater had it been relieved from the pressure of the land tax, and the vexations attending its collection. All taxation however is a mere choice of difficulties and pregnant with evils, especially in India; the Board only doubt whether those evils, which of necessity attach to the collection of the customs revenue, are so universally in operation, or so widely extended, as is generally assumed.

15. This however is assuredly no reason why the utmost exertion should not be made to correct those which *do* exist. If the correction can be effected without a sacrifice of revenue, essential to the preservation of order and good government, and what is also very important without injuring the fair trader by increasing the facilities of the smuggler, so much the better; the Board will be glad to find that their own apprehensions on this point are ill founded. If, again, the evils can only be corrected by a sacrifice of revenue, it will rest with the supreme authority to determine whether they are of sufficient magnitude, and so generally felt, as to call for such a sacrifice attended by a corresponding diminution of those securities for the welfare of the people, which the outlay of the revenue in question provides. These are the points on which the Board are anxious to be favored with your opinions, and those of the custom collectors. It is possible that chokeys, now empowered to search boats in passing, may be converted into chokeys for the prevention of loading or unloading goods not protected by rowannahs, as in the supposed case of Culna—other search chokeys again may be moved nearer to the sudder station, and some perhaps abolished

altogether—but in all these cases it appears to the Board that it is necessary to bring both an unbiassed judgment and patience to go into details to the enquiry ; for it might be a subject of much regret hereafter if a large portion of that revenue, essential to the maintenance of good government, were to be rashly tampered with, in obedience to some new theory, or under an exaggerated apprehension that the collection of the customs duty involves more general or more serious vexations to the community, than actually attach to it.

16. Neither must it be lost sight of that the custom chokeys are of the utmost importance, as affording additional security to those great branches of the public revenue, the salt and opium monopolies, from which at present the State derives annual resources to the extent of about two millions sterling. Considerable discretion is therefore necessary in modifying the powers, or restricting the limits, of any set of custom chokeys which are now of any advantage for the protection of the revenues adverted to. This observation is more particularly applicable, as far as the Western salts are concerned, to the chokeys in Behar—as far as opium is concerned, to all below Allahabad—and as far as the Bengal rowannah salt is concerned, to all in Bengal Proper.

17. As the Board will give a separate consideration to the last mentioned, the commissioners of revenue and circuit, and the collectors, need not advert to them unless indeed it appears that in any case the salt chokey can be fixed at the same spot as a search custom chokey, as then the boats will be saved the trouble and detention of more than one search, by both departments making their examinations at the same time.

18. With respect to opium chokeys again, and to the salt chokeys in Behar, a similar modification may be applicable, and the salt and opium officers in that province will no doubt readily afford every assistance in amending whatever may be faulty in the present arrangement—with respect to opium however it is quite clear that if some right of search be not reserved at proper places,

the revenue will be placed in considerable peril, because the opium smuggler does not want to land his cargo but to carry it down to the sea; if therefore he can load a boat with that valuable drug below Patna, and none but a sudder custom house chokey is entitled to search, he will find little difficulty in carrying it to the sea, either down the main stream of the Ganges and through the Soonderbunds; or, by running the small risk involved in shooting past the Moorshedabad sudder custom house during the night, he may take advantage of the Nuddeah rivers and Tolley's Nullah to bring his illicit cargo into the midst of the opium vessels loading for the China market, and thus revive a trade which was far from uncommon some years ago. At present in attempting the latter route he could not fail to be stopped at Gurreah haut, or at the junction of the nullah adverted to with the Hooghly; but under the scheme in agitation, as he would not of course attempt to *land* his opium at either of those chokeys, he could not be questioned. It strikes the Board that the difference between the effects of opium smuggling on the revenue, under the present system and the system of no search but at sudder custom houses which is contemplated, would be precisely the difference likely to be made by a wholesale illicit traffic taking the place of the present petty retail dealings.

Board of Customs, Salt and Opium, the 11th March, 1833.

(Signed) H. M. PARKER, *Secretary.*

APPENDIX B.

To the Hon. SIR C. T. METCALFE, Bart.

Vice President in Council.

(CUSTOMS.)

Honorable Sir,

We have the honour to acknowledge the receipt of Mr. Secretary Prinsep's letter, dated the 25th ultimo, with the enclosures to which it refers.

2. We have read with great attention and interest the paper which Mr. Trevelyan has prepared, under the orders of the Governor General, on the obstructions that exist, from our present system of custom house chokeys, to the navigation of the Jumna and Ganges, and on the extent of alleviation that can be given to them without affecting our custom revenue.

3. That great vexation to the people is occasioned by the power indiscriminately assumed by, if not by law vested in, all the native officers of our custom house chokeys of detaining boats with a view to the examination of their contents, is unquestionably true. It is also clearly a primary duty of the Government so to adjust their checks against evasion of the duties through these chokeys as to render them as little burthensome as possible to the fair trader and traveller. The only question then seems to be how far the exercise of a power, which is thus acknowledged to be the source of great abuse, can be reduced or taken away without at the same time impairing the revenue derived from our internal duties.

4. The particular measures recommended by Mr. Trevelyan would no doubt afford ample relief from the evil complained of to the people; but we are bound to say that we do not think they can be adopted, to the extent proposed, without having the immediate effect of greatly reducing the revenue.

5. It will not be necessary for us to enter upon a history of the complex system of multiplied taxes of customs, town duties, stamps on rowannahs, and custom master's commission, and fees that prevailed throughout the provinces prior to the enactment of Regulation IX. of 1810. Suffice it to say that these several imposts were revised and consolidated, under the law in question, upon the principle of levying duty once for all and granting a rowannah, or certificate of payment, that should cover goods from one extremity of the country to another, the only conditions being that the rowannahs should accompany the goods, and the latter correspond with the description therein given of them. No one will deny, we believe, that the substitution of our present scheme of transit and town duties, for the previous local imposts, has been conducive to the accommodation and prosperity of the people.

6. While the provisions of Regulation IX. of 1810, however were thus framed on the principle of relieving the inhabitants from the annoyance of successive imposts on the same article, it was nevertheless at the same time expected that they would prove the source of an improved revenue—the rate of impost on many articles being increased, and it being expected that the wholesale commerce of the country would, through the duties levied at marts and principal towns, be more completely brought under contribution than it had been at any former period.

For fuller information on this subject, we would refer to the report of the 15th January 1809, which will no doubt be found on the records of Government, of the committee for the revisal of the custom laws of that day.

7. In the Western provinces, where commerce is not collected into a few marts and principal towns, and where a great part of the trade is conducted by land, and crosses the country by

a variety of routes, embracing all the commerce from the north-west and that between central India and our own provinces, as well as that with the dominions of Oude, an unusual number of chokeys were found requisite, and the two principal rivers of that country, viz. the Jumna and the Ganges, presented themselves as the natural lines to be guarded for the levy of these duties. They thus became as well the principal routes of commerce, from the facilities of navigation they offered, (and were guarded by chokeys on that account,) as the boundaries which, at the points where they were crossed by the routes of import and export, could most conveniently be guarded by chokeys. Hence the number of stations observable in the Western provinces as contrasted with the Lower.

8. In Bengal, the distance of the chokeys from the custom house has been more limited—a cordon of them having for the most part been placed so as to surround the larger cities and towns, and in this way by guarding the marts, the commerce of the country, as it enters them, has been subjected to taxation. The trade in Bengal Proper is known to be, generally speaking, centered in comparatively few places, viz. the towns on either side of the Ganges and Hooghly.

9. Although it was the original principle of the Regulation to establish chokeys round the marts, a somewhat different disposition of those checks was found requisite for Dacca*, and likewise for Hooghly, in order to embrace the foreign settlements. The line has moreover been varied and extended from time to time, in different directions, where it has appeared that a more equal enforcement of the transit duty could be secured by the change.

* Owing to the facilities afforded by the numerous small rivers, which encircle that city, for passing it altogether without coming near the custom house limits.

10. The principle of Clause first, Section 11, Regulation IX. of 1810, has ever been understood to authorize* such a distribution of the various custom house chokeys as

* This principle has been repeatedly recognized by the Government. On the establishment of

custom house officers to controul the great mart of Culna, on the Hooghly—see orders, dated 9th March 1821—see also letter from Government, more distinctly laying down this principle, dated the 25th August 1829. Again letter from Government on another extension of chokeys, of the 29th September 1829. See also a further letter from Government of 25th May, to our Board, bearing on this matter, with many others.

best to secure the public revenue derived from any of the duties imposed under that enactment. Hence among other reasons, as before stated, the lines of the Jumna and Ganges, although not specifically indicated in the Regulation, have ever been guarded, and in no instance, except for the collection of town duties, has it been deemed sufficient, in the Western provinces more especially, merely to establish a set of chokeys round the head station of the collector of the customs.

11. In this manner the establishments for the collection of our transit duties have grown up to their present condition, having been for the most part placed on the great routes and navigable rivers throughout* the country.

* It must be unnecessary to observe on the tracts of enormous extent that are *wholly free* from the presence of a custom house officer—such for instance as the country north of the Ganges between Dacca, Assam, and Oude—also that between this place and Benares to the south of the same river; the whole country to the eastward full of navigable rivers, between Calcutta, Dacca, and Chittagong. Again south-west from Calcutta to the frontier of the Madras presidency—the interior of the Doab and many other wide districts. It is evidently therefore a misapprehension to assume that "the principle of the present system is, "that goods should not be removed to the shortest distance from "the place where they are produced, even from village to village, "without payment of duties."

12. The only difference then between the present collocation of the custom house chokeys and that which prevailed on the promulgation of Regulation IX of 1810 would seem to be the greater number of them now established in order to embrace different marts or gunges that have started up since that time, the discretion so to extend them being vested in Government by the rule which we have already quoted; and the disposition having frequently been manifested to establish gunges* and marts wherever the lines of our chokeys afforded a con-

* See letter, dated 11th October 1827, from Mr. Secretary Prinsep, and our reply thereto, dated 25th October 1827—see also our report,

dated 27th November 1826, and Mr. Secretary Prinsep's letter in reply, dated 7th December 1826.

venient opening for the evasion of the duties.

13. But it would have been useless to place chokeys to guard the main routes by land and by water, through which the traffic of the country was carried, unless the officers in charge of them had authority to prevent goods from passing their stations which had not paid duty—with every desire that was entertained of relieving the public from unnecessary molestation, and with every jealousy of the consequences of entrusting power to such instruments, it was nevertheless felt that an unlimited opening to smuggling would be afforded, if no examination of goods at any of the chokeys were to take place.

14. Accordingly, authority was given generally to the chokey officers by Clause second, Section 11, of Regulation IX. of 1810, to compare goods passing them with the rowannahs or certificates that accompanied them, and in case of want of correspondence to detain them and report the case to the collector.

15. That travellers and others have from the abuse of this power in the subordinate officers been exposed to extortions and annoyances, no one will deny; but the evil it will thus be seen is no new discovery, and not one of recent date.

16. But even this power of detention and examination of goods, which was from the first given to the native officers, was found insufficient for the protection of the revenue; it was found that without some record being kept of the goods that passed, and unless the fact of their having passed were certified on the rowannahs, a door was left open to the practice of extensive frauds by bringing successive despatches of goods under the same rowannah. To meet this case it was by Regulation I. of 1812, (Sections 21, 22, and 23,) made incumbent on persons taking out rowannahs and bringing goods under them within the jurisdiction of any custom house (for such has been the construction of the term "imported into towns") to have the rowannah endorsed at the first or outer

chokey as covering on a certain date a certain importation of goods.* This was and ever since has been found a great check against separate despatches of merchandize being brought within a custom house under cover of one and the same pass.

* This rule also includes a material check on the conduct of the custom house officers, for when a rowannah comes into the hands of the collector without an endorsement, the circumstance gives rise to suspicion that the officer has been in collusion with the merchant to enable the latter to pass goods without the payment of duties.

17. The provisions to which we have just adverted from Regulation I. of 1812, are unnoticed by Mr. Trevelyan, and it would seem that he has not known of the existence of the legislative enactments enforcing these particular checks.

18. If the public revenue then is to be maintained, and to its present extent, we think that the interference of the native officers, both as regards the examination of goods and the endorsement of rowannahs must in some form ever be allowed, though it be necessarily a source of detention and delay. These evils may, we conceive, be reduced, and especially so by reducing the number of detaining and examining chokeys; but the proposition to limit the stoppage of boats to the principal or sudder ghaut alone of our several custom houses is incompatible we feel persuaded with the realization of the amount of our present inland duties, while it would be injurious in particular to the salt revenue in the Upper provinces on which article, the duty being high, the temptation to smuggling is proportionably great.

19. That the demand of transit duty at all is an evil of great magnitude, or in other words that the tax is in its nature a bad one, both as obstructing the freedom of commercial intercourse and as affording numerous opportunities to undue exactions from the people, is a principle that has long been acknowledged; but so long as the exigencies of Government require a certain amount to be drawn from this source, we fear that the system must ever be attended with considerable vexation to the community. The same character attaches to systems of a similar description in the

nations of continental Europe, where neither civilization or the sense men entertain of their own rights are sufficient to relieve the impost from its objectionable features, which are not we think so much peculiar to this country as to the nature of the tax itself.

20. So sensible indeed have the Government and some of its most influential officers long been of the injurious character of this impost, that it has on more than one occasion been proposed to abandon it altogether, and nothing but the impossibility of finding a substitute has prevented the relief of the population from the tax.

21. There will be found on the records of Government a note by the late Financial Secretary on this subject, in which it is specifically proposed to relinquish the internal duties and to seek a reimbursement from an additional tax on the imports and exports of sea-borne commerce, and particularly by taxing metals on importation by sea which are now free, though they are heavily taxed in transit by land.

22. This proposition went the length of being submitted to the merchants of Calcutta for their opinion, but the incongruity of sentiment that prevailed amongst that body, and the apprehensions, pretty generally entertained, that their constituents in England would be dissatisfied at seeing them assenting to a tax on their commodities, prevented this reference from leading to any result.

23. It must be evident that a tax levied on the transit of goods, though intended only to bear on articles of commerce and the general merchant, can be enforced only by an uniform unspairing examination of all boats or other means of conveyance; for if any were exempt, the ingenuity of the speculator would soon lead him to assume the appearance of a privileged conveyance—but travellers are to the merchants in the proportion of at least ten to one. It seems therefore to be a necessary consequence, that the ten must be inconvenienced in order that the

one may not escape—this is the real source of the whole evil now so strongly represented. No one can be more sensible than ourselves of its existence and of its extent; but so long as Government impose on us the management of the impost, we should ill perform our duty were we, for the sake of the good word of the ten, to relax our security that the eleventh shall not find the means of evasion by assimilating himself and his conveyance to that usual with the traveller.

24. But though strongly impressed with the necessity of maintaining the process of examination and endorsement of rowannahs, we quite agree in reprobating as an abuse, and as contrary to the spirit of the Regulations in force, that the chokey officers of ferries and those of land routes, stationed at ghauts on the rivers, should exercise the power of stopping boats passing up or down the stream, or of at all interfering with that branch of commerce which, being conveyed by internal navigation, has its separate checks at each mart established on the banks of the river.

25. We are disposed to think therefore that a classification of the chokeys on the two rivers of the Doab can, and ought, immediately to be made by the custom house officers on the principle of confining the subordinate officers, who may be set to watch particular routes and ferries, to the duty of watching those routes; and that they be prohibited under heavy penalties from stopping any boat whatsoever, the public being at the same time apprized, by a proper distribution of notices in the language of the country, that such a prohibition has been determined on and will be rigidly enforced. If the Government should think that a Regulation will be necessary to enforce this restriction it will be easy to frame the requisite rules for the purpose.

26. But with respect to the chokeys especially established for the river-borne commerce, although their number may probably admit of diminution, they must still in our opinion be kept up so as to guard both the upper and lower side of each mart or

commercial town; for to leave these free will deprive Government of the revenue derived hitherto from the commerce and consumption of the population of those towns. If this precaution were omitted, it would be in the power of the pettiest officer of a ferry chokey to allow a boat to be loaded, say with salt, which, proceeding down the Jumna without interruption, would seek any favorable market for consumption that might be afforded by the populous towns on the banks of that river. The check proposed by Mr. Trevelyan, and which it is not without surprise that we observe the commissioners have deemed sufficient, is that the chokeys shall be maintained every where to prevent goods from being landed; but the insufficiency of this will be apparent when it is considered that throughout the whole route, if the officer at one landing place is corrupt (and the temptation will be great) the means are at once afforded of landing the article untaxed, without check from any record or other means of discovering the fraud.

27. It will be manifest that no such evasion of the duty can possibly take place when the boat with its rowannah is examined before it enters each mart; and when the quantity on board can be compared with previous endorsements, and any delay even in the time of making the voyage would be a circumstance leading to suspicion and enquiry.

28. The evils incident to frequent stoppage for examination are so strongly felt that various remedies have at different times been suggested. In the revised code of our custom law, prepared by Mr. Secretary Prinsep, the following will be seen to have been the scheme devised by that officer for this purpose:—on the arrival of a boat at the first station, say of the Allahabad jurisdiction, the examination and endorsement, with notice of the correspondence of the goods, time of passing, and other particulars were to be carefully made, when the rowannah was to be returned duly endorsed to the merchant—along with it, the person in

Sections 89, 90 and 91 of Draft of Consolidated Custom Regulation, printed in 1827.

charge was to receive a ticket which would secure him from further search until his arrival at the sudder station or other place where he might intend to land the goods; or, if purposing to carry them through, the ticket would protect him to the boundary station on the other side, where, after a fresh examination and endorsement of the rowannah, the ticket would be delivered up. A duplicate of this ticket was to be sent in from the first chokey by the darogah to the collector for his information, and to enable the sudder officers to see that the original ticket, granted to the merchant, was duly surrendered and returned from the further chokey.

29. We do not think the ticket adds much to the check of the rowannah itself—its principal use was to let the collector know, by means of the duplicate forwarded to the sudder office, what goods had entered his jurisdiction and with what purpose, so as to render his registers more complete; but upon the principle of simplifying rather than increasing checks we refrain from recommending the introduction of a scheme of this kind, unless hereafter it shall be found expedient to substitute for the rowannah system, as applicable to the salt revenue of the Western provinces, such an arrangement for passing under temporary licenses imported salt from the frontier to the particular depots that may be selected by the proprietors.

30. Even with the omission of the additional security provided by the ticket, we think the experiment of discontinuing the stoppage of boats for examination and endorsement at chokeys intermediate to the frontier of each custom house jurisdiction may be tried. But we think some plan should be combined with the experiment for conveying to the collector information of every boat that passes, in like manner as, when a despatch of goods may take the river at an intermediate point, information should be forwarded from the first chokey which that dispatch happens also to pass.

31. The manner in which marts and depots, within the boundary chokeys of the different custom houses, shall be guarded so

that the trade and consumption of such places may not obtain unfair exemption, will have to be regulated with reference to the circumstances of each place, and can only be determined upon the report of some officer of experience who may have given his attention particularly to the details of this department, and who combines with such experience a considerable degree of local knowledge.

32. In reply therefore to the reference made to us under his lordship's orders, we have only to state, first, that we apprehend it would not answer to abandon the practice of stopping boats for examination of goods at all chokeys, and to confine this check to the sudder station of the collector, but that the evil may be mitigated by at once withdrawing the privilege of stopping boats from all but certain chokeys to be specified, and lists of which might be published. Further, that the occasions of the detention may be diminished, as above explained, by confining the examination and endorsement to the outer chokey with notice to the collector; thirdly, that the chokey officers stationed at ferries and cross routes shall be restricted from interfering at all with navigation or with the river-borne commerce, unless goods should be loaded or put on board at their ghauts, when of course they would make endorsement to that effect on the rowannahs, in like manner as in the case of goods arriving by land and crossing the river.

33. The full adoption of this plan will probably enable Government to effect a saving in the establishments of some of the river chokeys, but much judgment and discretion will be necessary in making out the lists of those chokeys which are to be retained with the power of examination, with reference especially to intermediate marts, and to the condition of the Western salt trade, which is by far the most fruitful source of revenue in the Western territory.

34. The array of chokeys of examination presented in Mr. Trevelyan's paper forms, if that gentleman has not been misled,

a remarkable instance of inattention in the officers vested with the executive controul of our customs. The fact that the officer of a chokey, established merely to guard a ghaut or route of passage, should exercise the power of stopping boats, strikes us as an abuse that ought at once to have excited attention and been corrected. If the Regulation gave the power it would have been easy at any time to have procured a modification of the Rule; or its correction might have been made with equal effect by removing the chokey from the river bank to the head of the ghaut, and assigning to the darogah the particular duty intended to be conferred on him.

35. We feel satisfied that no efficient collector of customs, acquainted with his business and with the principles of the Regulations, would have allowed such an abuse to continue; and if it has grown up any where, it can only be explained by the supposition that the collector's attention has been diverted from his own duties, and that regarding the judicious administration of the customs not in its true light, as a portion of the general Government on which the prosperity of the country and the comfort of the people mainly depends, but as an inferior branch, he has left the subordinate officers of the department to pursue uncontrouled a vexatious system at variance with the spirit, if not the letter, of the law.

36. The new arrangement of chokeys proposed by us may require for its consistent execution the appointment of a special officer, who should be directed to proceed down the river and enquire into the circumstances of each chokey—and we take this opportunity to point out that the question referred to us in Mr. Secretary Prinsep's letter of the 12th June last, viz. the applicability of the rowannah system to the duties levied on Western salts, is intimately connected with this subject, and inquiries relating to it might very advantageously be combined with the duty assigned to this officer. The full realization of the impost last adverted to is indeed a matter of the first importance, and the proper settlement of it would more than compensate Government

for the appointment of an officer, even on the highest allowances for this duty. Our revenue of the past year, or 1831, from the Western salt was rupees 18,14,666—which is much in excess of any before collected; but there cannot be a question that it is yet capable of considerable increase if a proper scheme of passing it into the depots could be devised, so as completely to secure the duties. To apply the same system of rowannahs to this article as to ordinary merchandize is clearly wrong, and while the duty is at its present rate must hold out great temptation to smuggling—but to devise a new scheme must evidently be a work of nicety, and one that will require much local knowledge as well as local inquiry—we should strongly recommend the appointment of an officer, even for this important duty alone, and we need not say that we should be most happy to open a correspondence with any gentleman who might be so appointed, and should fully communicate our own ideas and be ready to assist him with any information or suggestions in our power.

37. We deem it necessary to add, that we see little hope of either of the duties we have adverted to being effectually performed without the appointment of a special officer instructed to give his particular attention to the preliminary enquiries, and well acquainted with the trade and localities of the Western provinces.

Calcutta.
Hooghly.
Moorshedabad.
Patna.
Benares.
Ghazeepore.
Mirzapore.
Dacca.
Chittagong.
Balasore.

38. Should Government concur in the view we have taken generally on the subject of the detention of boats on the great rivers, we could easily address the collectors of the customs at the several stations enumerated in the margin, and have no doubt of our ability to form very shortly a restricted list of tulashee chokeys for the Lower provinces, and to confine the exercise of these powers to the narrowest limits possible consistently with the security of the revenue.

39. We refrain from adopting the same course in the Western districts, because our controul over the officers stationed there is much more limited and of recent date, and our information of the peculiar localities of each custom house is but imperfect—we have not indeed even the records of the former controuling Boards in those districts, and which no doubt would have shewn the motives that led to many of the customs arrangements. It appears that the records in question were distributed amongst the several commissioners of revenue and circuit on the abolition of the Western Board of Revenue. Government are of course also aware that we exercise no authority at all in respect to the customs levied in the Dehlee district, and the chokeys established therein, and it would obviously be particularly necessary to include this division of territory in any scheme of revised rule that it may be thought necessary to adopt.

40. We may state in conclusion, that the transit duties on goods during the years 29-30, 30-31 and 31-32 amounted to ..... Rs. 1,24,86,147

And the town duties to ..... Rs. 14,86,298

Total Rs. 1,39,72,445

Giving an average per annum of both duties, Rs. 46,57,481

Or transit duties, ... Rs. 41,62,049

And of town duties, ... Rs. 4,95,432

Cotton
Cotton Piece Goods
Cotton Yarn
Raw Silk Filature
Bengal Wound Silk
Tushah } Refuse Silk
Chassum }
Silk Piece Goods
Mixed Piece Goods

41. We annex in the margin list of the articles on which these were collected.

42. Of our dutiable articles the following may be considered as designed almost exclusively for exportation by sea :

Embroidered Goods and Brocades
Gold and Silver Tissues, Lace and Thread
Shawls
Looeys
Blankets
Carpets and Setrenjies
Gunnies
Thread, Tape and Fringes
Indigo
Sugar, Jagry, Goor and Syrup
Beetlenut
Kuth
Oil Seed
Oil
Cocoanuts
Wax
Wax Candles
Long Pepper
Long Pepper Root
Dry Ginger
Aniseed
Calijeerah
Cardamum
Coriander
Jerah
Ajwain
} Aromatic Seeds
Pepper
Saltpetre
Camphor
Cheraytah
Columbo Root
Kahrobah or Copal
Galbanum
Gum Arabic
Jutta Munsee
Mastick
Hurrah
Buberah
Owula
} Myrobolans
Myrrh
Senna
Storax
Assafœtida
Saffron
Stick Lac
Seedor Jhoory Lac
Shell Lac
Cake Lac

Indigo, saltpetre, and lacs—a portion, however, even of these is consumed in the country: some idea may be formed of what is exported and what is retained in the country, by comparing the amount of drawback paid on these articles with the amount of the transit duty collected on them in the periods adverted to.

On indigo the duty in the 3 years amounted to Rs. 9,39,467
The drawback on the article, including bonds, amounted to ..... Rs. 6,33,679

The difference between the two sums then must have been consumed partly in the country and partly by exportation on foreign and country coasting vessels.

43. On saltpetre the duty similarly amounted to ..... Rs. 3,82,235
The drawback to ..... Rs. 1,62,703

The difference between the two exhibits probably what was consumed in the country.

On lacs the duty amounted to ..... Rs. 40,170
And the drawback to Rs. 15,233

Very little of the article is taken off by foreign vessels, so that the difference must be considered as having been consumed in the country.

Otter or Essential Oils
Fooleyl Teyl or perfumed Oils
Ambergris
Civet
Musk
Laban or Benjamin
Gundeberoza or Frankincense
Putcha Pat
Rose Water
Keorah Water
Attah
Awl Root or Morinda
Crimdana or Cochineal
Coosum Flower
Dhye Flower
Hursinghar Flower
Loadh
Munjeet or Madder
Toond Flower
Buckum or Sapan Wood
Red Sandel Wood
White or Yellow Wood
Ugger or Aloe Wood
Tugger Wood
Chucrassy, Toon, Sitsol } Cabinet Wood
Saul, Sissoo, Jarool, Soondry } Timbers
Yellow Ochre or Goopy Mattee
Vermillion
Ranga Mattee or Indian Red
Minium

44. The only other Country articles that are now largely exported by sea are cotton, oils, sugar, and raw silk; but by pursuing the same sort of comparison it would seem that the bulk of these is retained for consumption in the country.

Cotton—duty, ... Rs. 2,08,231
Drawback, ... Rs. 12,748
Oils—duty, ... Rs. 5,07,583
Drawback, ... Rs. 12,628
Sugar—duty, ... Rs. 2,90,834
Drawback, ... Rs. 54,831
Raw Silk—duty, ... Rs. 3,87,159
Drawback, ... Rs. 1,18,555

almost all the remaining articles of the list are used in the country.

45. Thus the amount of transit duty already collected in these years amounted to rupees 1,24,86,147, while there was paid as drawback including bonds only rupees 10,40,643, leaving a balance of a crore* and fourteen lacs of rupees duty on goods, by far the largest

* Of the articles on which this sum was realized some no doubt must have been exported upon Foreign and Country coasting vessels without drawback; yet, with advertence to the comparatively trifling demands of late years from these quarters for our Country produce, we are satisfied if a full and minute inquiry were made it would be found, as we have observed, that by far the largest portion of the goods on which the transit duty is at present levied are consumed in the country. This will be more apparent from the following particulars taken from a statement which we prepared in 1828 for Mr. Secretary Mackenzie, to enable him to devise a scheme by which the existing transit duty might be given up at the least possible sacrifice of revenue:

Prussian Blue
Peoree
Verdigris
Iron, wrought and unwrought
Steel, ditto ditto
Copper, only unwrought
Brass, ditto
Swords
Matchlocks
Shields
White Arsenic
Red Arsenic
Yellow Arsenic
Sulphur or Brimstone
Alum
Borax and Tincal
Vitriol or Tooteah
Sal Amoniac
Alkali, Sujjee Muttee or Natron
Soap
Raw Hides and Leather
Boots, Shoes, and Slippers
Furs from Nepaul
Allspice, Cloves, Mace, Nutmegs, Cassia, Tezpaut — from Nepaul
Hookahs
Vidre Ware
Hookah Snakes

portion of which must have been consumed in the country.

46. We cannot pretend to estimate the demand for, and consumption of, the various articles liable to the payment of transit duty at the different stations and markets between the head stations of the several custom houses throughout the country; but a part and a very considerable part of the amount thus shewn to have been paid would have been put in jeopardy, if not have been lost to the revenue, but for the checks against attempts at fraud which are to be found in the provisions, to which we have more particularly referred, from Regulation IX. of 1810 and Regulation I. of 1812.

47. We have called for a return of the salt and opium chokeys

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Amount of transit duty including bonds for indigo collected in 1827-28,	Rs.	55,31,926
Amount of drawback paid on goods exported on British, Foreign and on Country coasting vessels to Europe, America, and to other quarters of the globe,	Rs. 5,25,673	
Amount of transit duty finally retained on articles exported on British, Foreign and on Country coasting vessels, whether with or without claim to drawback,	Rs. 4,90,225	
		10,15,898
Excess, being for goods consumed in the country,	Rs.	45,16,028

This multiplied by 3, which is the number of years for which the collections are given in this Report, will shew at all events that the transit duty formerly on articles which were consumed in the country amounted in 3 years to rupees 1,35,48,084, a sum exceeding much that which has been assumed by us.

Stone Plates
Chaunks or Saunks
Coral
Elephants' Teeth
Ivory
Cow Tails and Chowries from Nepaul
Bengal Paper
Pipe Staves
Tobacco
Salt.

The following Articles pay only town duty:

Ghee
Turmeric
Dholl
Gram
Pease.

Charcoal only in Calcutta, and the following pay Town Duty as well as Transit Duty:

Oil Seeds
Oil
Sugar, Jagry, Molasses
Tobacco
Beetlenut.

at which boats are now liable to be stopped in their passage up and down the river, as required in Mr. Secretary Macnaghten's letter of the 4th ultimo, which, with the separate letter from the same officer of the 9th and its enclosure, we have herewith the honor to return, copies having been kept for record in this office.

We have, &c.
(Signed) G. CHESTER.
H. SARGENT.

BOARD OF CUSTOMS,
SALT AND OPIUM,
The 17th October, 1832.

Abstract of a Letter addressed to the Vice President in Council, under date the 17th October, 1832.

Replying to Mr. Secretary Prinsep's letter dated the 25th ultimo, forwarding a note prepared by Mr. C. E. Trevelyan, Deputy Secretary to the Governor General, relative to the obstructions offered by the custom house chokeys to the navigation of the Jumna and Ganges. His proposition to remove those obstruc-

tions examined, and shewn not to be well conceived. The trade it is admitted will benefit, though the revenue must it is shewn suffer from its adoption. The necessity of examining goods and endorsing rowannahs at chokeys cannot be dispensed with, if the present system of transit duties is to be maintained; and Board recommend that the existing system of search, examination, and endorsement, be not altogether abandoned, but restricted to certain ghauts and chokeys, to be specified in lists which should be published for general information. An officer it is conceived should be specially appointed to carry the details of the proposed scheme into effect, and Board offer to co-operate with him in the successful accomplishment of his labors.

The 25th December 1834.

A true Copy,

(Signed) S. G. PALMER,
Acting Secretary.

C—No. 1.

STATEMENT shewing the Gross Receipts and Charges of the several established Inland Custom Houses in the Year 1831-32, *taken from the Official Returns furnished to the Board by the Accountant in the Revenue Department, dated the* 12th *March* 1833.

CUSTOM HOUSES.	Receipts. Gross Receipts including Town Duties.			Town Duties.			Gross Receipts without Town Duties.			Deduct Charges of Management incurred at each Custom House.			Net Receipts from Inland Custom Houses.		
Calcutta Inland Custom House, ...	3,66,818	9	6	1,41,897	3	9	2,24,921	5	3	80,675	8	0	1,44,245	13	3
Chittagong, ...	21,654	0	4	7,022	12	0	14,631	4	4	4,347	0	0	10,284	4	4
Dacca, ...	2,22,281	7	1	18,982	9	9	2,03,298	13	4	40,533	4	7	1,62,765	8	9
Hooghly, ...	1,47,092	15	4	3,593	2	0	1,43,499	13	4	21,152	8	7	1,22,347	4	9
Moorshedabad, ...	5,07,143	11	9	41,614	4	0	4,65,529	7	9	74,226	13	4	3,91,302	10	5
Patna, ...	2,75,532	9	1	28,841	13	9	2,46,690	11	4	40,279	15	4	2,06,410	12	0
Cuttack or Balasore, ...	12,899	5	11	0	0	0	12,899	5	11	4,732	2	5	8,167	3	6
Benares, ...	1,59,152	11	5	64,589	1	0	94,563	10	5	16,499	4	2	78,064	6	3
Bareilly, ...	1,34,166	3	11	25,022	13	11	1,09,143	6	0	27,559	14	9	81,583	7	3
Furruckabad, ...	96,783	13	4	22,694	3	3	74,089	10	1	35,982	1	3	38,107	8	10
Ghazeepore, ...	1,66,153	9	7	0	0	0	1,66,153	9	7	12,651	1	2	1,53,502	8	5
Cawnpore, ...	2,38,819	0	3	21,569	8	11	2,17,249	7	4	25,774	3	0	1,91,475	4	4
Agra, ...	11,03,349	10	9	26,792	8	0	10,76,557	2	9	78,379	11	2	9,98,177	7	7
Allahabad, ...	5,59,155	3	2	19,989	9	3	5,39,165	9	11	59,782	14	6	4,79,382	11	5
Mirzapore, ...	2,39,710	1	9	25,907	12	9	2,13,802	5	0	30,167	3	1	1,83,635	1	11
Meerut, ...	2,59,757	7	5	14,868	9	1	2,44,888	14	4	20,216	15	6	2,24,671	14	10
Dhilly, ...	6,65,904	10	6	1,58,851	14	7	5,07,052	11	11	54,452	15	11	4,52,599	12	0
Total	51,76,375	2	7	6,22,237	14	0	45,54,137	4	7	6,27,413	8	9	39,26,723	11	10
Deduct Proportion of the Expences of the Board of Customs Charged to the Customs Department, ...													71,486	3	3
													38,55,237	8	7
Ditto Drawback paid on account of Transit Duties, ...													2,49,406	12	9
													36,05,830	11	10
Add Amount of Transit Duty on Indigo secured at the Inland Custom Houses by Bonds, but not recovered until the Article was exported by Sea or the Bonds had expired in the year 1831-32, ... Rupees													81,746	11	9
Actual Amount of Transit Duties obtained under the existing system from the several Inland Custom Houses in the year 1831-32, ... Rupees													36,87,577	6	10

(Signed) S. G. PALMER, *Acting Secretary.*

BOARD OF CUSTOMS, SALT AND OPIUM, *25th December*, 1834.

D —No. 2.

STATEMENT of the Receipts and Charges in 1831-32, *at every Station then under the Bengal Presidency at which Transit Duties were collected on the Trade of the Country, as taken from the Statements of the Revenue Accountant.*

CUSTOM HOUSES.	Receipts. Gross Receipts including Town Duty.			Town Duty.			Gross Receipts without Town Duty.			Deduct Charges of Management incurred at each Custom House.			Net Receipts from Inland Custom Houses.		
Calcutta Inland Custom House, ...	3,66,818	9	0	1,41,897	3	9	2,24,921	5	3	80,675	8	0	1,44,245	13	3
Chittagong, ...	21,654	0	4	7,022	12	0	14,631	4	4	4,347	0	0	10,284	4	4
Dacca, ...	2,22,281	7	1	18,982	9	9	2,03,298	13	4	40,533	4	7	1,62,765	8	9
Hooghly, ...	1,47,092	15	4	3,593	2	0	1,43,499	13	4	21,152	8	7	1,22,347	4	9
Moorshedabad, ...	5,07,143	11	9	41,614	4	0	4,65,529	7	9	74,226	13	4	3,91,302	10	5
Patna, ...	2,75,532	9	1	28,841	13	9	2,46,690	11	4	40,279	15	4	2,06,410	12	0
Cuttack or Balasore, ...	12,899	5	11	0	0	0	12,899	5	11	4,732	2	5	8,167	3	6
Benares, ...	1,59,152	11	5	64,589	1	0	94,563	10	5	16,499	4	2	78,064	6	3
Bareilly, ...	1,34,166	3	11	25,022	13	11	1,09,143	6	0	27,559	14	9	81,583	7	3
Furruckabad, ...	96,783	13	4	22,694	3	3	74,089	10	1	35,982	1	3	38,107	8	10
Ghazeepore, ...	1,66,153	9	7	0	0	0	1,66,153	9	7	12,651	1	2	1,53,502	8	5
Cawnpore, ...	2,38,819	0	3	21,569	8	11	2,17,249	7	4	25,774	3	0	1,91,475	4	4
Agra, ...	11,03,349	10	9	26,792	8	0	10,76,557	2	9	78,379	11	2	9,98,177	7	7
Allahabad, ...	5,59,155	3	2	19,989	9	3	5,39,165	9	11	59,782	14	6	4,79,382	11	5
Mirzapore, ...	2,39,710	1	9	25,907	12	9	2,13,802	5	0	30,167	3	1	1,83,635	1	11
Meerut, ...	2,59,757	7	5	14,868	9	1	2,44,888	14	4	20,216	15	6	2,24,671	14	10
Dhilly, ...	6,65,904	10	6	1,58,851	14	7	5,07,052	11	11	54,452	15	11	4,52,599	12	0
Saugor and Nurbudda Territory, ..	1,75,869	11	0	12,331	7	5	1,63,538	8	7	16,898	8	3	1,46,639	11	4
Ajmere, ...	1,09,234	6	6	51,793	7	6	57,440	15	0	1,343	7	3	56,097	7	9
Total	54,61,479	4	1	6,86,362	12	11	47,75,116	7	2	6,45,655	8	3	41,29,460	11	11
Deduct proportion of the expences of the Board of Customs charged to the Customs Department, ...													71,486	3	3
													40,57,974	8	8
Ditto Drawback paid on account of Transit Duties, ...													2,49,406	12	9
													38,08,567	11	11
Add amount of Transit Duty on Indigo secured at the Inland Custom Houses by Bonds, but not recovered until the Article was exported by Sea or the Bonds had expired in the year 1831-32, ... Rupees													81,746	11	0

APPENDIX E.

Note prepared by Order of the Board of Customs, by the undersigned.

1. The accounts of customs collections in the Board's office do not extend so far back as the years embraced in page 163 of Mr. Trevelyan's Report—nor can the identical accounts be traced, from which the particulars, contained in pages 163 to 168 inclusive of that Report, have been taken. Owing to these circumstances, the whole of the results deduced in those pages, from the existing system of inland customs collections, cannot be checked in this office. The customs accounts in the Board's office extend no further back than the year 1818-19. From these however an abstract general Statement has been prepared marked A, shewing exactly what, from that date up to the year 1832-33 inclusive, has successively been the amount in each year of the collections and disbursements on account of the existing transit duty system. Comparing this statement with the gross and net receipts for the same periods, exhibited in Mr. Trevelyan's Report, the particulars will not be found to agree. The gross receipt for instance is shewn, in column No. 3 of the Satement A, to amount to ... Rs. 6,88,62,257

While in the Report the gross receipts for the periods specified, will, if added up, be found to amount to ... ... Rs. 6,76,23,243

Making a difference in favor of the existing system and against the calculations contained in the Report, of ... ... Rs. 12,39,014

Again the net receipt is shewn, in column No. 9 of the Statement A, to amount to ...	Rs.	5,73,19,512
While in the Report it will be found to amount to	Rs.	4,85,43,769
Making similarly a difference of ...	Rs.	87,75,743
But from this sum should be deducted the amount of drawback shewn, in column No. 11 of the accompanying Statement A, to have been paid in the periods specified on account of *inland transit* duties, amounting to	Rs.	53,48,027
When the difference in the net receipt between the Statement and the Report will be reduced to Rs.		34,27,716
And the net or surplus revenue from the existing transit duty system will then, or after such deduction of drawback, stand, as shewn in column No. 13 of the accompanying Statement A, at Rs.		5,19,71,485

2. From no details having been furnished in the Report shewing the various items which compose the gross and net receipts exhibited in it, it is difficult to ascertain how the difference in the net receipt noticed above has occurred—but possibly it may have originated in the following particulars having been either wholly or partially overlooked by Mr. Trevelyan:

See column No. 2 of the accompanying Statement A.

1st. Rupees 13,18,862 being the amount of bonds taken by the inland collectors for the transit duty leviable on indigo, but which in the accounts of the revenue accountant is included under the head of collections in the Calcutta *sea* custom house, though it is properly a credit belonging to the head of *inland* collections, and where the amount would ordinarily have appeared if the article had not been covered by bonds.

See columns Nos. 23 and 24 of the accompanying Statement A.

2d. Rs. 15,23,089 and 3d. Rs. 1,85,007, both these sums are included

without any distinction under the head of "*drawback*" in the revenue accountant's statements, and as such they have been deducted from the receipts generally of the customs department; but the first mentioned sum, as having been paid on account of goods originally imported by sea, and also on account of the still head duty charged in the abkarry department upon Country spirits, cannot be deducted from the receipts obtained from the inland customs department, neither can the last mentioned sum be so deducted, as it was paid on account of the inland *town* duty chargeable on goods, no part of which duty is included in the gross and net receipts under consideration.

See column No. 26 of the accompanying Statement A.

4th or lastly. Rupees 2,08,197, being one-fourth of the proportion of the expences of the Board of Customs which ought to be held applicable to the collections of the sea custom house, whereas the whole amount of this proportion is carried, in the accounts of the revenue accountant, as a charge against the inland custom houses in the Lower provinces.

3. By making the necessary allowance for these items, the surplus revenue, from the inland *transit* duty system, will then, as before stated and as fully shewn in column No. 13 of the accompanying Statement A, stand at rupees 5,19,71,485.

4. Mr. Trevelyan appears to consider the *entire* difference between the gross and net receipts of the *inland* custom houses as forming the "charges of collection" incurred for those custom houses—but in this difference, amounting, as will be found for the 15 years under consideration, to rupees 1,90,79,474 is included the whole amount of the drawback entered in the revenue accountant's statements for those years. This item however of drawback is not properly a charge of collection, nor indeed is any part of the amount of it paid to any of the inland custom houses—the payment being made in the Calcutta sea custom house alone. The item therefore ought perhaps to be

considered by itself, but not as a charge of collection. Were it not for this item, which throughout has been considered as a charge of collection, the proportion borne by the *actual* charges to the net receipts would have been reduced every where to the extent nearly of ten per cent. In the fifteen years under consideration the real charges of collection instead of amounting, as shewn in Mr. Trevelyan's Report, to rupees 1,90,79,474, did not exceed rupees 1,15,42,745, as will be seen from column No. 7 of the Statement A. The drawback paid in these years on account of inland transit duties amounted, as shewn in column No. 11 of the same Statement, to rupees 53,48,027.

5. If the item of drawback be separately considered as proposed, it will be found that the gross receipts from transit duties are now, and have been for several successive years past, upon a par with the receipts of the first eight or nine years after the existing system was established by Regulation IX. of 1810, notwithstanding that intermediately some very considerable sources of receipt were cut off from this branch of revenue by Regulation, or by the special orders of Government,—as for instance the arrangement made in July 1818 for bonding the transit duty payable on indigo, and allowing the amount to be wholly remitted on exportation of the article to British Europe, instead of the same being included as formerly in the actual collections, until the amount was claimed as drawback. By this arrangement, as shewn in column No. 21 of the Statement A, a short credit has occurred under the head of inland transit duty collections, in the entire period that the arrangement has been in operation, of rupees 61,86,350, or averaging annually the sum of rupees 4,12,423. The transit duty system suffered again in two ways on the promulgation of Regulation V. of 1823, first, by the reduction it made in the rate of duty on piece goods (silk, cotton, and mixed) from 7½ to 2½ per cent. and next, by the rules under which goods were charged with duty in Delhi, being assimilated to the rules which prevailed in the Regulation provinces by which the Delhi rowannah obtained free currency in the Regulation provinces—whereas, until the pro-

mulgation of that Regulation, goods brought through Delhi into those provinces, usually took out rowannahs at one or other of the custom houses at Meerut, Agra, Barrelly, Cawnpore, or Furruckabad, notwithstanding that they had previously been charged with duties in Delhi—what the loss has been to the inland custom houses, from both these causes combined, cannot be ascertained from the records in this office—but probably it will be found not to fall short of that sustained annually on indigo from the bonding system, shewn to have been rupees 4,12,423. The transit duty system finally suffered by the reduction of the duty authorized in March 1830 on cotton yarn from 7½ to 2½ per cent. It may on the other hand be observed, that Regulation XV. of 1829 increased the rates of duty on Western salts, but, up to the date to which Mr. Trevelyan's Report extends, little or no advantage is admitted by himself (vide page 121 of the printed Report) to have accrued to the revenue from such augmentation of duty—so that for the present, the causes which have affected the inland transit duty system *injuriously*, can alone be considered.

6. If these causes had been taken fully into consideration, and if attention had been directed as much to the *gross* as it appears to have been to the *net* receipts derived from the transit duty system, it would have been seen that that system, instead of having declined in the amount yielded to the revenue, is upon the whole more productive than it was when first established, or at any rate that it is equal to what it then was. This is apparent from the printed Report itself, where the aggregate amount of the gross receipts, stated in pages 163 and 164, if added up, will be found to amount to rupees 11,38,97,562. The receipts of the first eight years, included in this account taken as a separate item, will be found to amount to rupees 3,43,40,498, or per annum Rs. 42,92,562, while the receipts for the last eight years, included in the account, will be found to amount to rupees 3,33,28,121, or per annum rupees 41,66,015, being less than the first mentioned period of only rupees 1,26,000 per annum—while if the duty on indigo alone had continued to be collected as formerly, or as was the case in the first mentioned period, the gross receipts in the last eight years

would have amounted per annum to rupees 45,78,438, and with the addition of the duty, lost on piece goods and on cotton yarn, the amount probably in this period would have averaged per annum rupees 49,90,861—in that case an increased receipt of rupees 6,98,299 would have been exhibited in this period in reference to the receipts of the eight years with which the comparison has been made. The gross receipts of the intervening nine years, or of 1816-17 to 1824-25 inclusive, are much more favorable than of the two periods already noticed. They amounted it appears in the aggregate to rupees 4,62,28,943, yielding an average per annum of rupees 42,92,562. This favorable result, compared with that of the eight last years, may be accounted for by bearing in mind that in the whole of the latter period the bonding system was in operation, while it was not so in the other period—that moreover the effects of Regulation V. of 1823, regarding Dehli rowannahs, and the reduction of duty on piece goods, were scarcely felt in the nine years now under consideration, while throughout the subsequent period the Regulation in question was in full operation, and lastly that in the last mentioned period the war with Bhurtpore in 1828 interrupted generally the trade of the Western provinces, especially the trade in salt, of which the imports from Saumer and Bhurtpore completely ceased for a time, or until the country again returned to a state of tranquillity.

7. It will thus be seen that the gross receipts from the inland transit duty system have not, strictly speaking, declined, since they have not been allowed to be collected in the same manner as when that system was established by Regulation IX. of 1810. It does however appear that the *net* receipts have fallen off much since the year 1816-17, but this would seem to have arisen more from the drawback system, which at that period began to be generally introduced, than from any other cause—for the actual charges of collection cannot be traced to have occasioned any unfavorable difference in the net receipts. They on the contrary appear, from column No. 5 of the Statement A, to have continued at nearly the same scale from the year 1818-19

up to 1828-29, after which period they began to decrease, and so they rather must have had a favorable than an unfavorable effect on the revenue.

8. With regard however to drawback, until the promulgation of Regulation IV. of 1815, few articles of *Country* produce obtained that benefit on exportation by sea, and the rate (except in the cases of piece goods and raw-silk, which if shipped to great Britain, received 5 per cent.) was limited to $2\frac{1}{2}$ per cent. Regulation IV. of 1815 not only directed the payment of drawback on every article liable to the payment of inland transit duty, when shipped for British Europe, but also augmented the rate of the drawback, so that no more duty should be retained in any case of shipment so made than would amount to $2\frac{1}{2}$ per cent. Accordingly under this Regulation, goods liable to 5 per cent. transit duty obtained, on shipment to British Europe, a drawback of $2\frac{1}{2}$ per cent.—those liable to $7\frac{1}{2}$ per cent. duty received drawback at the rate of 5 per cent.—and those liable to 10 per cent. duty received at the rate of $7\frac{1}{2}$ per cent.—while indigo and cotton which before, even if shipped for Great Britain received no drawback whatever, were by the Regulation in question declared entitled to a drawback of the whole amount of the transit duty leviable on them on occasions of shipment to Great Britain. It was impossible after the promulgation of this Regulation for the *net* receipts from the inland transit duty system to continue at the same standard: and this Regulation at once accounts for the falling off in the *net* receipts, which is shewn to have occurred from the year 1816-17.

For the articles entitled to drawback, and the rates of drawback before 1815-16, see Regulation IX. of 1810, and table No. 2, Regulation III. of 1811.

9. The system of drawback so introduced, injurious as it was to the *net* receipts, did not stop with Regulation IV. of 1815, but was still further extended by Regulation XV. of 1825, under which Country goods, although not before entitled to drawback on shipment on *foreign* bottoms, were now declared in a variety of instances

to be so entitled, provided the shipments were made to foreign Europe or America. The instances alluded to, were those in which the transit duty was at the rate of 7½ per cent., when 2½ per cent. was authorized to be given up as drawback—as also those in which the transit duty was at the rate of 10 per cent., when drawback at the rate of 5 per cent. was authorized.

10. These Regulations must have caused a heavy drain on the transit duty receipts to which they were not before liable, and accordingly it will be seen from column No. 11 of the accompanying Statement A, that the amount of drawback paid on Country goods, liable to transit duty from the year 1818-19 to the year 1832-33 inclusive, was rupees 53,48,027, being at the rate of 7 per cent. and a fraction on the gross receipts for the same period, amounting to rupees 6,88,62,257, as shewn in column No. 3 of the Statement A, and of something more than 9 per cent. on the net receipts of rupees 5,73,19,512, as shewn in column No. 9 of the same Statement.

11. For the years included in that Statement, the aggregate gross receipts are given in Mr. Trevelyan's Report at rupees 6,76,23,243, and the net receipts at rupees 4,85,43,769. The difference, or rupees 1,90,79,474, being assumed as charges of collection—this bears a per-centage of upwards of 28 per cent. on the gross receipts, and of upwards of 39 per cent. on the net receipts—but the proportions would of course have been considerably less if the amount of drawback had been kept distinct, or had not been blended with the charges of collection.

12. The actual charges of management, which should be compared with the receipts, are those stated in column No. 7 of the Statement A, amounting to rupees 1,15,42,745, this on the gross receipts of rupees 6,88,62,257, given in column No. 3, will be found to average something more than 16* per cent., and on the net receipts of rupees 5,73,19,512 given

* Less by 12 per cent. than that shewn by Mr. Trevelyan's Report.

in column No. 9, a fraction more than 20* per cent. Even with the addition of drawback to the charges, the proportions will not be found to be quite so large as are shewn in Mr. Trevelyan's Report. For instance the charges† and drawback together make rupees 1,68,90,772, and the gross receipts are rupees 6,88,62,257, the proportion of the former to the latter is something more than 24 per cent., and on the surplus revenue, of rupees 5,19,71,485 given in column No. 13, the proportion of the charges and drawback averages something more than 32 per cent.

* Less by 19 per cent. than that shewn by Mr. Trevelyan's Report.

13. It is impossible to check the receipts stated separately in the printed Report for the Western provinces, and again for the Lower provinces—because the accounts before the Board do not shew what part of the amount entered as drawback was applicable to these provinces, taken separately by themselves, or how much of the expences of the Board of Customs, or of any other Board which from time to time may have had the controul of the custom houses in these separate provinces, was applicable to them respectively. Of course as the whole amount of the drawback and of the expences of the Board of Customs appear in the statements of the revenue accountant against the custom houses of the Lower provinces, the receipts of these custom houses will contrast unfavorably with those of the Western provinces against which no similar items are stated—but the annual decrease, amounting to rupees 3,01,393 stated in the Report to have occurred in the receipts of the custom houses in the Lower provinces, is not more than what is accounted for by the payment of drawback alone, which, as shewn in column No. 12 of the Statement A, has been at an average annually of rupees 3,56,535.

14. It has been stated in para. 12 of this note, that the charges of the custom houses, for collecting the inland transit duty, was at

† Column No. 7 charges, ...Rs. 1,15,42,745
Column No. 11 drawback, ...Rs. 53,48,027

Total, ...Rs. 1,68,90,772

the rate of nearly 16 per cent. on the gross receipts, and of 20 per cent. and a small fraction over on the net receipts, but as the same officers, who collected the transit duty, collected also with a slight exception the inland town duty without any additional expence to Government—it seems proper that the amount of this separate tax should be added to the other receipts, in order that it may be fully seen what was the exact amount of the benefit which resulted to the State from incurring such charges.

15. It will accordingly be seen, from column No. 17 of the accompanying Statement A, that the amount of the inland town duty collected by the several custom house establishments, from the year 1818-19 to 1832-33, was rupees 81,87,429—this added to the gross receipts of transit duty for the same period gives a total of rupees 7,70,49,686. The net receipts will similarly aggregate a total of rupees 6,55,06,941. Now the charges of management, amounting to rupees 1,15,42,745, will on the gross receipts average not quite 14 per cent., and on the net receipts they will average something above 17 per cent.

Gross transit duty receipts,	Rs. 6,88,62,257
Town duty ditto,	Rs. 81,87,429
Total,	Rs. 7,70,49,686
Net transit duty receipts,	Rs. 5,73,19,512
Town duty ditto,	Rs. 81,87,429
Total,	Rs. 6,55,06,941

16. No accounts of the custom houses in Dehli are recorded in this office prior to the year 1828-29, but from that period the amount of the gross and net receipts, stated in page 165 of the printed Report, corresponds with these accounts. It has already been stated that the establishment of custom houses in Dehli, under Regulation V. of 1823, has operated prejudicially on the receipts of other previously existing custom houses. How far the measure has operated to the benefit of the receipts of Dehli itself can only be known by a comparison with the collections made in Dehli under the sayer system, which it is understood prevailed there prior to the year 1823. The means for making this comparison, are not however available in this office.

17. At page 167 of the printed Report, the amount of actual receipts in 1831-32, from inland transit duties, is contrasted with *probable* receipts under the change of system proposed for adoption by Mr. Trevelyan, and upon the difference ascertained between the two statements, the total amount of charges now incurred for collecting the transit duties, is estimated. In other words the gross produce of the internal duties in 1831-32, over and above what would have been realized under the new system, had it been in operation in that year, is estimated in page 168 to have been no more than rupees 6,81,126, while the custom houses from which this surplus was gained, or those enumerated in the margin, and which are intended to be discontinued under the new system, are in page 168 stated to have cost the Government for their maintenance rupees 4,06,986, leaving a net profit from these custom houses of only rupees 2,74,140, making in this manner the charges of management for those custom houses, to have averaged on their gross produce at the rate of 60 per cent., and on their net produce 150 per cent.

Calcutta inland custom house.
Dacca.
Hooghly.
Moorshedabad.
Patna.
Ghazeepore.
Benares.
Cawnpore.
Furruckabad.
Barrelly.

18. The accompanying Statement marked B, has been compiled from the accounts of the revenue accountant in this office for the purpose of shewing the actual results of the particular custom houses whose receipts and charges have been so commented upon in the printed Report; from column No. 1, of which it will be seen that the actual amount, collected by them as inland transit duties in 1831-32, was ..... Rs. 19,45,139
That the town duties they further realized, as shewn in column No. 2, amounted to ..... Rs. 3,68,804

Making, as shewn in column No. 3, a total collection of 23,13,944
At an expence altogether, as shewn in column No. 4, of 4,27,857

Leaving a net receipt, as shewn in column No. 5, from their combined operations of ... ... Rs 18,86,087

The proportion borne by the charges, according to this view of the case, amounted on the gross receipts, as shewn in column No. 6, to rupees 18-7-10 per cent., and on the net receipts, as shewn in column No. 7, to rupees 22-10-11½ per cent.

19. In the estimate of probable receipts, contained in page 167 of the printed Report, there are two items which in the practical application of the proposed plan will, it is believed, turn out to be erroneous. They are first, the item of Calcutta exports, amounting to rupees 6,75,224—and next, the item of drawback, amounting to rupees 2,49,406. The first of these items appears to have been taken from the Statement numbered xx. of the Appendix, and is intended to shew the "amount of "duty on goods exported from Calcutta, which actually accrued "to Government in the year 1831-32, after making the necessary "deductions on account of drawback, and the necessary addi-"tions on account of extra duty." Now the goods comprized in this Statement, were covered not only by rowannahs from the custom houses proposed to be abolished, but also from those intended to be continued. It is a part of the new plan that goods, which pay duty at the custom houses intended to be retained, are to be allowed to be exported free, and to receive no drawback. The amount therefore included in this Statement for all goods which appeared to have been exported with claim to drawback, under rowannahs from any of the custom houses specified in the margin, should have been deducted. Otherwise such amount will be found to have been twice estimated, first in the export receipts of those custom houses, and again in the export receipts of the Calcutta sea custom house.

Meerut, intended to be designated the Saharunpore custom house.
Dehli.
Agra.
Bundlecund.
Allahabad.
Mirzapore.

20. As regards the item of drawback, it may be observed that the amount assumed as an available receipt under the new plan,

by the discontinuance of that allowance altogether, is the entire sum which was paid on Country-goods exported by sea in 1831-32. A part of the amount must therefore have been upon rowannahs taken out from the custom houses intended to be retained, and if so, that part of the amount should have been deducted from the item, otherwise it will have been twice estimated, first as an item of direct receipt at those custom houses, and again in the amount of drawback proposed to be saved in future.

(Signed) M. JOHNSTON,
Register and Accountant.

(A True Copy.)
(Signed) S. G. PALMER,
Acting Secretary.

OFFICE OF THE
BOARD OF CUSTOMS, SALT AND OPIUM,
The 25th December, 1834.

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